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The case of People’s Republic of China penetration and foreign policy developments in Djibouti State: the logistic and commercial sectors

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1. Introduction

The thesis tries to provide an insight on a topic that represents one of the main active and dynamic debates in the International community; the emersion of a possible new hegemonic superpower that could drastically shift the power dynamic globally is indeed the focus of many International Relation scholar, whether the main focus is posed on politics or economy. The increasing role China is achieving in the International scenario, thus, it is at the core to understand the current dynamics of power underplaying and the possible future trends; this topic has not been fully covered yet and there is still much more that needs to be studied about it. The role and politics Beijing is sponsoring globally have been targeted by the wider scholars debate, aim to comprehend and make it fit under some sort of categorization. This effort has led to the spark of the debate on China could be addressed as a new neo-colonial power; there have been even formulated theories to understand specifically Beijing’s politics choices - e.g. Sharp power.

Within this emerging debate new light has been shed on the African continent itself, considered as one of the historical allies of the Asian giant. The strong nature among the bilateral partnerships have strengthened by the reflection of China’s influence itself, leading to the necessity of further studying and examining the efforts and the policies choices of the State is pursuing in Africa generally. Indeed, it can be found often in the academic productions, the topic of China rising International role as dually linked with the faith of the African countries -as these constitute the main grounds to support the shift in power dynamics. Moreover, as mentioned, the whole continent itself shares an old connection with the rising of China, that has been at the core of the new and current China’s flagship foreign policy: The Belt and Road Initiative- BRI. This policy marked a new era in Beijing foreign policy ambitions and given the success obtained, it currently constitutes the engine of China’s foreign actions, politically and economically. The BRI policy aims at recreating the old silk road, connecting China to Africa and Europe. Within this route, China marked some countries as strategic points for commercial and logistic purposes as steps towards the way; from such scenario it clearly emerges the strategic importance Djibouti holds. The little State is placed on one of the most profitable commercial routes globally and, both its small dimension along with its poorly developed economy and its degree of dependence from foreign investor, allows it to reflect clearly the effects produced by China’s influence. Moreover, the sectorial focus on the State allows to cover both the
national and the supranational aspect of the topic, to provide a reflection and a better understanding of the impact that the wider China’s Belt and Road Initiative is having on the African continent.

Focusing the thesis on Djibouti comes as the result from both personal interest\(^1\) and from the unreach potential of the topic within the academic community. Indeed, the case study reported has not been adequs quality covered; Djibouti has not been studied thoroughly and thus, it can concur in providing new insights and new perspective on the matter to unveil the world’s power shifts scenario in the next years. Djibouti, thanks to the specific features presented - its small dimension and its geostrategic location - represents a good studying ground to investigate on whether there are in place changes that are directly affected or consequential from Beijing intervention.

The State presents a dynamic situation with a recent history having obtained independence only in 1977; thus, the history of the State is deeply connected with the International sphere and as of it, the State presents in its soil a wide variety of foreign actors. Among the many international presence, it stands out the one of China, specifically for the degree of commitment invested. The launch of the BRI policy in 2013, represented a shift in the international dimension but also a shift for the same partnership of the two States themselves; the new policy led to the setting of new priorities and objectives that contributed to renewing the importance of the tiny African State.

Given the attempt to recreate the old silk road and the placement of Djibouti, Beijing addressed it as one of its pivotal allies of China. The nomenclature of ‘strategic partner’ boasted the strategic role of the tiny State, whose establishment was already seeking to improve, making the State the ideal springboard for China to expand its influence in the East and Horn of Africa area. Ultimately, the focus on Djibouti tries to suggest that despite the dimension, that often tend to be the reason why it gets overlooked, the small State - but also in small State in general - can provide new insight and new perspective that could be useful to develop, contribute and even improve the debate on the mainstream phenomenon ongoing in the international scenario.

The Objective of the thesis is to offer new insights on the effects from China’s foreign policy; specifically, the focus will be narrowed down to the study case of Djibouti. The work tries to analyze and compare the changes within the Djiboutian society to the effects produced by China’s involvement and penetration in such State’s economic and social issues. Specifically, the sector of

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\(^1\) In 2017, the author of this thesis attended the Double Degree Program between the MA in International Relations and Development Cooperation (Università per Stranieri, Perugia) and the MA in African Studies (Dalarna University); the latter allowed her to deepen the knowledge of the dynamics ongoing in the continent itself but also provided her with an insight through the African perspective towards wider worldwide trends, such as indeed China’s foreign policy.
analysis is the commercial and the logistic ones, given Djibouti high reliance of foreign’s aid. The study case of Djibouti could be considered functional, given its unique geo-strategic characteristics, to reflect on the wider policies choices carried out by China towards the whole African continent, The same sectorial focus could contribute to the academic debate by producing new considerations on the macro-trend ongoing and new prospects for the future. Lastly, it must be stated that the period taken in analysis would be the current scenario (2013-present); keeping also in mind that the Sino-Djiboutian relationship date back 40th year and the bond still appears strong and steady.

The research questions that guide the work are: How deeply has Beijing presence and intervention affected Djibouti through the years? The partnership can classify as win-win cooperation and for mutual development or is unbalanced? Did this partnership undergo some changes from the initial phase?

The file rouge of the research is provided by the effort of Djiboutian government to pursue and to sponsor a direct partnership and connection with Beijing aimed at boosting the State’s capability as International hub. The establishment efforts to improve Djibouti geostrategic role globally appears also matched by Chinese counterpart, pursuing its own interests.

The choice of China rather than one of the other actors involved in Djibouti’s soil is motivated because of the weight such actor holds; Beijing as today enjoys a strong and growing influence worldwide as it is currently the second largest economy in terms of nominal Gross Domestic Product -GDP. Such trend does not present sign of crisis, instead, the general forecasts suggest a further increased matched with the objective to project the economy worldwide - to be able to keep the industrial production going and invest any surplus left.

Given the developing scenario that Beijing present, and the possible implications for the international community’s future, many scholars foresee China as the next big superpower that could be even capable of replacing the system of US hegemony in place. This transition is already visible on some realities in the African continent and such study has been the object of many researches during the last decades. The thesis aims at contributing to the literature and the debate ongoing, by presenting a specific case study: Djibouti.

1.1. Definition:
Geopolitics: with this term, along the thesis, means the study of the influence that some factors - as geography, economics, and demography - produce on the politics and especially the foreign policy of a State.

Geostrategy: this term refers to a sub-category of geopolitics; linking geopolitics with strategy to compare both perspective in the aim to determine the trend and future of a specific geographic region. Along the thesis, refers to the ‘appeal’, Djibouti projects externally its borders as ‘geostrategic’ term; this term is used to recall the range of characteristics that make the State valuable and that guide the choices in internal and foreign policy among it and its allies.

Hub: with the term ‘Hub’ along the thesis, means the ability of the State, with a favorable geographic position, to act as a junction. In the case of this study, the role of hub Djibouti unfolds is visible towards the commercial, logistic and military spheres where the State acts as a safe stop, an intersection, towards its neighbors, the region but also one of the most profitable global commercial routes.

Archetypical: this term refers to an original model or type, after which other similar things are patterned, a prototype and representative of a new group, new categorization.

1.2. Restrictions.

The choice of Djibouti as the study case comes from two main perspectives that allow to address a complete picture of the State’s scenario, recreating the main spheres of interest:

1) Geo-Strategic value;
2) Academic value (the topic is able to spark a reflection within the field of International Relations-IR);

The first aspect object of analysis comes from the geostrategic role and the location that Djibouti holds towards the Horn of Africa and the Gulf Region. Djibouti can be considered a small State both for its dimensions, covering a landmass of only 23,200 km², and for the population present, around 430,000 and 840,000 people mainly located in the urban areas and around the capital, Djibouti Ville, in the southern part of the state. The internal situation Djibouti presents is similar to the one of many other African states with a majority of the citizens being young people under 35; the majority of whom constitutes the active working population located in the cities in a vast percentage (62%) within the main cities. The geo-strategic location of the State is reflected also in the image of the population, presented as a small melting pot; there is a mix between the ethnicities already present on
the soil (the Issa and the Afar) and the ones continuously in transit following the migration flows (that are mainly incoming from neighboring countries). Contrarily to what might be supposed, the phenomenon of migration is not widely spread in Djibouti and only a small part of the population, 13%, consider themselves as migrants. The mix of culture and ethnics is also reflected in foreign presence; the State hosts on its soil several different foreign actors. The diversity displayed within the Djiboutian soil contributed to the rhetoric that addressed it as a “playground for superpowers.”

However, in this narrative, it must not go overlooked the active role played by the Djiboutian establishment, by the presidents and the governments. Their effort actively succeeded in promoting, to the International community and generally to the State’s exterior, the image and rhetoric of Djibouti as a stable country; even despite on its soil there were still ongoing internal clashes. The means used however, were, and still are, questionable, in the country is present a strict censorship on opposition.

The main resource that the establishment sponsor externally is the role of hub that the State can cover, especially within the commercial and logistic spheres, thanks to being place on one of the most profitable trade routes worldwide. The narrative of the Djibouti establishment is almost entirely built exclusively on its geostrategic location, presenting a picture of the State as a kind of ‘shelter’ for foreign investors, a safe place from which safely address the whole region. Such narrative is deeply sponsored by the government that also puts the stress on the favorable and peaceful internal situation the state present, like a regional oasis where there are not frequents acts of terrorism or substantial violence, placed within a dynamic and unstable region. Djibouti indeed, is located between larger neighbors characterized by instability, both political and economic; this represents the additional value to the geo-strategic rhetoric that the establishment pursue, sponsoring the State as a lookout point to safely address the whole area.

Within this perspective the theoretical framework that supports the narrative is the one of geopolitics. In fact, to the geographic location there are other sphere that add on the strategic importance and are crucial to understand the current situation of Djibouti, such as the economic sphere. Djibouti represents an anomaly also on the economy, in fact instead of relying on the agriculture and industrial sectors as the majority of its neighbors’ ones, the tiny State is mostly reliant from foreign investors, tertiary sector and services-providing. The main income and means of

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2 Alexei P. Kireyev, Middle East and Central Asia Department, Growth Inclusiveness in Djibouti, International Monetary Fund Working Paper, 17/93, April 2017, p.8,9.
subsistence of the economies are generated from the renting of its soils to foreign actors and from logistic and commercial revenue.

Given that nowadays globalization has contributed to tear down the State’s barriers, the economy in Djibouti holds a primary role being directly connected with the political sphere; thus, once again it emerges the strategic importance of understand the changes, interferences and trends produced within the little State in connection to considerably wealthier foreign investors. As mentioned in the introduction in fact, the official Djiboutian narrative is met with the interest of China that is eager to expand furthermore its sphere of influence. Beijing appears to have already understood the possibility for big turnouts, primarily in commercial expansion and logistic. Furthermore, by using the commercial and logistic sphere as an entry point is possible to detect the changes Beijing produced in these sectors in Djibouti.

Secondly, the aspect of focus reflects on the potentiality that the topic (the effects and trend of the Sino-Djiboutian relations) could spark in the debate of the International Affairs, also in function of the possible speculations about the possible future development of the International trends, concerns and possible points of ignitions for conflicts. The thesis presents Djibouti as an archetypical case given its unique role of military hub that allow to co-exist in a small perimeter several military bases from different actors, two of which are respectively the current hegemony and the rising one. The stress on the military sphere is also linked to the bigger role of security provider that both States aim to play towards the region. Thus, the attention and concerns from part of the international community has risen from the fact that Djibouti could became a ground for power confrontation where bigger controversy might spark. The international attention has also put the stress on the necessity for the State to guarantee neutrality and equal treatment. The fear voiced by the international community is not deduce out of mere speculation, in fact, there have been some incident and controversies sparked in the area due to the close proximity of the military basis on the soil; lucky, these did not evolved in the rising of any relevant diplomatic incident.4

Ultimately a last restriction must be addressed regarding the timing of the analysis. The relations between China and Djibouti can be considered well established and consolidated thanks to their 40th years partnership\(^5\), however the period of focus for the thesis would verge on the most recent years, since 2013 -the starting year of the BRI foreign policy- onwards, with a special mention and focus on the most important steps in the process, e.g. the creation of the first Chinese military overseas representation in 2016.

The specific focus on such foreign policy can be motivated because BRI successfully contributed to the growth of China’s International role but also allowed China “in a mere two decades, (to) become Africa’s biggest economic partner. Across trade, investment, infrastructure financing, and aid, there is no other country with such depth and breadth of engagement in Africa.”\(^6\) Indeed, the policy, active from 2013, has achieved important results gaining the support from the private sector. It is also important to specify that the investments sponsored on the soil are not only provided by Beijing government, in fact the Asian giant has been sponsoring influence of private companies that regardless can be tied back to the central government - the role of the SOE- State-Owned Enterprises. This effort has also been pushed by China’s President Xi Jinping at the 2018 Forum on China-Africa Cooperation (FOCAC), in the occasion Xi called upon the private sector to invest on the continent even setting an ideal threshold -of $10 billion with a three years’ time framework.\(^7\)

By focusing on the most recent development, it is possible to unveil the direction of the partnership which is classified as mutual cooperation and the possible path that lays further ahead.

1.3. State of Research

To understand better the focus of the thesis, it is important to trace back a brief preview of the work and analysis done on such topic. It must be stated that there are few academic works on the issue in analysis, thus, the thesis aims at providing a contribution to the current debate and material for further academic study.

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\(^6\) Irene Yuan Sun, Kartik Jayaram, Omid Kassiri, 2017, op. cit., p. 9.

Among the study on Djibouti however, it stands out the analysis realized by Jennifer Brass, linking Djibouti State’s trend with the ‘resource curse’ narrative. The main focus of the study on understanding the dynamics guiding the choices within Djiboutian economy and her work successfully shows how actions dictated by the fear of the ‘curse’ end up concretizing it: “Djibouti’s leaders, fearful of losing control, have helped create economic realities of ‘the curse.’” Brass then links Djibouti to the resource course by considering the amount of foreign attention that the state is receiving because of its resource, and the high degree upon which is relying on it. Moreover, in her analysis it emerges that the ‘resource course’ represents a problem twice as crucial given Djibouti’s highly reliance on its geostrategic resource. The State in fact, in order to maintain a high profile, within the region and internationally, as a (commercial and logistical) hub needs to be considered a stable and reliable actor, appealing to foreign investors. Brass contribution concludes thus, that Djibouti future subsistence depends greatly from its international credibility. Consequentially with the ‘resource course’, Brass underlines some negative externalities produced such as the reliance on foreign aid that appears to have lowered the level of democracy.

Another important contribution about the problematic Djiboutian might develop from relying too much on foreign actors is also expressed by David K. Leonard, who focuses more on the economic sphere and on the sectors providing subsistence for the State. The focus is thus on the commercial but mostly on the military bases presences revenues that correspond to the main income of Djiboutian economy- with the implication that can arise from it. A similar focus, verting on the repercussion and the focus on the military hub role played by Djibouti has also been at the center of the work from David Styan. The analysis focuses once more on the variety of foreign military representations on the soils and, among them, Styan differs from the present works for providing an insight given its focus set on the US’s perspective; illuminating how the Western superpower addressed favorably the State and built on its soil its bigger military representation, able to function as logistic hub for the whole Arabic peninsula and the African continent.

Moving on from the military sphere’s focus, retracing the bond between Djibouti and geopolitics is important to mention the work of Redie Bereketeab. The study produced by the author

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verges on the role geopolitics theories played in shaping the country system; unveiling how such a ‘deprived country’ with basically no primary or secondary sector, succeeded in developing its services and tertiary in a way that these sectors could sustain the economy of the whole State itself: “Djibouti is a testimony to a possibility of how resource deprived country could translate its strategic location to material benefit”\textsuperscript{11}.

Moreover, about the strategic dimension Djibouti could play with regard to the security sphere, there can be found several articles in newspaper and academic Journal underlining the unreached potential of the study case.

The Institute for Security Studies- ISS is an African-based Think-thank focused on studying and spreading awareness on the trend currently visible on the continent in the aim of sustainable and peaceful development. The institute range of focus covers several areas of interest like transnational crimes, migration, maritime security and development, peacekeeping, peacebuilding, crime prevention and criminal justice, and the analysis of conflict and governance. Thus, there are few publications that are worth mentioning, focusing specifically on Djibouti and the foreign implication and presence on its soils. Among the ones, is worth to mention M. Berouk work; the scholar delivers an analysis\textsuperscript{12} of the bias present in the state’s media and social tissue and tries to unveil how this bias play out (e.g. a sphere taken in analysis is how this bias affect the outcome of the election process). Another significant work, within the same laboratory, is provided by Simon Allison. This time the core of the work focuses on the supranatural repercussion of the foreign presence in Djibouti, providing a picture of the State by interpreting it as ground where there could unfold bigger power and influence’s framework; especially by focusing on the extraordinary concentration of different military representations on the soil. The stress of the report lies in the fact that the tiny State presents a difficult and critical social situation internally, that does not appear to have improved, despite the substantial incomes from the renting of the State’s soil as military hub. Moreover, any signs of possible instability could represent a great risk for the bases already presents but mostly for the future of the State’s economy itself. A concern is also expressed regarding the presence of the newly

\textsuperscript{11} Redie Bereketeab, Djibouti: Strategic Location, an Asset or a Curse?, Journal of African Foreign Affairs (JoAFA), Volume 3, Numbers 1 & 2, June/December 2016, p.7.

engaged actor -China on the military’s sphere (given that China in the global geopolitics trend differs from the western States that instead tend to share a much closer view and siding).  

Another important enhancement has been provided by Journalists from newspaper articles, that commented critically the situation of Djibouti and the current development of the trend linked, e.g. the Sino-Djiboutian partnership, the controversy of the Doraleh Port and the geopolitical implication from the development of the Chinese base military representation.

Among the news pieces, it emerges the analysis provided by P. Dietmar in SPIEGEL, under the section ‘Geopolitical laboratory’. By focusing on geopolitics trends the journalist argued from an international perspective the effects and turnout of the variety of foreign actors present on the State.

Another contribution always in the media section is provided by O. Caslin from Jeune Afrique; a francophone newspaper that has focus fixed in the African continent. Here can be found several media reports, various information and interviews collected about Djibouti. The newspaper constitutes one of the secondary sources used to obtain current and updated information on the scenario given the availability of reports produced but also interviews of the governmental elite (e.g. Ministry of Foreign Affairs and President of the State itself).

As presented above, there are few studies and work developed that aimed at unveiling and addressing the potential and future trend that Djibouti could play in the International Community. As the studies reported have shown thus, Djibouti boast some feature that makes it a unique geo-strategic asset, quality that has been the key interest motivating foreign investors to invest on its soil, despite the small dimension and the poorly developed economic system. Such features are twice as valuvables

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given the State presents also a peaceful and stable situation, ideal to sustain the role of commercial and logistic hub towards the neighbor regions and the continent itself.

The trend of the growing Chinese presence on the soil has been stressed on some studies, questioning the role and future developments these might lead; However, the relationship between the two party has not been fully studied. Indeed, there are few studies trying to cover the path of futures investments Beijing could invest in the State’s soil, especially in commercial and logistic spheres.

Thus, this work aims at providing a closer look to the current Djiboutian situation stressing the bond the State shares with China; that would be used as an argument to study the effect of Chinese invasive foreign policy but also possible speculation on future trends, and on the bigger role the State could play in the future.

The thesis intends to shed new light and unveil the unreached potential for such study case that tends to be overlooked by the mainstream attention, additionally can provide useful and new bright insights to contribute to the current International Relations debate.

1.4. Theoretical framework.

To develop a better understanding of the partnership between the two actors and the changes and consequences, the author of this thesis used several theories, apart from the already mentioned branch of study focusing on Small States, she also motivated the choice of study case thanks to geopolitics. These different theories provide the framework to develop and spark new insight that could contribute to the current mainstream debate; while at the same time supporting the argument of why Djibouti represents a valuable case of study that has much unreached potential.

The theoretical section will unfold from the macro to the micro dimension of the framework. The initial focus, thus, would be on geopolitics as such theory is able to shows the direct link between the interest of two States -China and Djibouti, and how such interest merge together. Then, from the macro dimension, the focus would shift on the types of partnership that the stronger actor, China, tend to develop; in order to provide the framework to later reflect, along with the empirical findings, on the Sino-Djiboutian relations. Then, the focus would be strictly on the dynamic within the relation,
on whether there is a scenario where one State implements influence or pressure towards the other—thanks to the classification provided by Joseph Nye.\textsuperscript{16}

Thus, to start it must be discussed what it is and what’s use for the theory of geopolitics. Geopolitics fits in a branch of IR studies focus on the connection between the geographic location of the States and Politics implications, locally and internationally is particularly important in the choice of Djibouti as case study. The relations between politics and geography are considered the basis of a new international scenario where communications flows are equally significant as the physical locations. To this dimension according to the theory it might be added two more to have a wider picture: geo-cultural and geo-economic. The first is motivated from the fact that geopolitics reflects on the establishment of large spaces and pan-regions, conceived as institutions capable of acquiring an international role thanks to new forms of political and cultural legitimacy; the second is targeted to include in the analysis the wider phenomenon of globalization and economic integration process to generate economic flows, that is to say the weight of the economic sphere interacts in the process of shaping the politics.\textsuperscript{17}

The theory validates the important of Djibouti as case study and it contributes in adding to the actor’s strategic role narrative. In fact, the narrative presented by the establishment of the little African State has been focused in pushing the image of the State deeply linked with its strategic potentiality of commercial and logistic hubs. Djibouti establishment understood the potential -unreached- from such geostrategic role and tried to put more efforts in the role it could play within the international scenario especially in the commercial and logistic areas, main sectors upon which the majority of foreign investors tend to focus when they address the State. In fact, the geographic position of the State, provides the natural access to one of the most dynamic and growing economy of the region -Ethiopia- and this allows the State to receive a further boast; providing Djibouti the opportunity system to develop piggybacking on the Ethiopians.\textsuperscript{18}

\textsuperscript{16} Joseph Nye is an American political analyst; he co-founded, along with Robert Keohane, the international relations theory of Neoliberalism. In his work he explained the distinction between hard power and soft power, pioneering the development of the soft power theory. During the Clinton administration was appointed in office for ‘Assistant Secretary of Defense for International Security Affairs’ (1994/1995). For more: https://www.hks.harvard.edu/faculty/joseph-nye ; Accessed 20/06/2019.


\textsuperscript{18} To give a clear understanding in number of how exponential is the role Djibouti plays towards Ethiopia, it might be said that about 90% of Ethiopia’s trade goes through Djibouti, representing almost the 45% of the tiny State’s ports output. For more: James Jeffrey, ‘Ramadan in Djibouti, Life in the Port City’, Foreign Affairs, 4 July 2016 at: https://www.foreignaffairs.com/articles/djibouti/2016-07-04/ramadan-djibouti ; Accessed 20/12/2018.
When it comes to the focus of the State, inserting into the equation the role of China, it emerges that such perspective -based on the geostrategic features Djibouti presents- was addressed by Beijing that saw it as its opening for profit. Indeed, China sponsored with the Belt and Road Initiative, some projects aimed at improving the connectivity within the State but also between the State, the neighbors and the region. An example that could be used referring to this perspective is provided by the Addis Ababa- Djibouti railway, a major infrastructure project aimed at improving the connectivity between the two neighbors. The project represents a great example of geostrategy able to target both economic and political objectives altogether: while strengthening and improving the connectivity, and thus, simplifying commercial exchanges, at the same time it ensured Beijing to gain the favor of new allies by asserting a positive image of itself an equal partner. The new railway in fact, held a deeply symbolic meaning, representing a break from the past (as the previous railway in use was the one built in colonial times).

In conclusion, seeking to understand the power dynamics from Beijing rising global importance, geopolitics can be useful to address the way the actor connects with other strategic actors present in the international community. Among the ones, the case study presented, emerges as a tool to deepen the understanding given “Geopolitics has put Djibouti in world spotlight.”

Then, to present an understanding of the changes -towards closeness- produced in the Sino-Djiboutian partnership, it will be used as guideline the model produced by Irene Yuan Sun, Kartik Jayaram, Omid Kassiri. The authors have produced a model attempting to address the different kinds of China’s partnership interactions; by comparing the different cooperation stages between China and the single African States the scholars found four main classifications. The range determining the classification of the partnership under one group rather than the other depends from the different degree of penetration. The model supports that China’s relations could be presented in four different scenarios, each applicable to the case of specific countries.

Starting from the first group, the inter-states relations under this scenario are based on the recognition of the importance of the Sino-African tie, with the parties committed in solid relations -“robust partners”. Furthermore, given the high degree of inclusive agreements the addressee has developed special developed strategic appositely to deal with China, playing an active role in the partnership. From its part, China recognizes such allies as reliable and fully engaged; and also

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19 Redie Bereketeab, op. cit., p.15.
20 Irene Yuan Sun, Kartik Jayaram, Irene Yuan Sun, Kartik Jayaram, Omid Kassiri, Dance of the lions and dragons, How are Africa and China engaging, and how will the partnership evolve?, McKinsey & Company, 06/2017.
strategical for the realization of its economic and political interests, an example of States that would fit under such categorization are Ethiopia and South Africa.

Lowering down the degree of inclusiveness between the two parties, the second group is the one of the “solid partners”; such partnership does not have the same level of engagement of the previous one but still, the states have a developing a growing relation. From their part, the African States recognize the impact China involvement could have on their interests and in response, China is fully engaged in such countries, usually such engagement reflects historical and geographical (favorable) conditions -markets. Under this scenario however, the addressee part merely has a passive role (voice), without the implementation of any specific strategy to address the Sino-African relation, examples of states under this group are Kenya and Nigeria.

The third group could be addressed as “unbalanced partners”, given the low degree of engagement and inclusiveness between the parties, China’s investments on the soil are limited-compared to other countries’ scenario; the examples could be the cases of Angola and Zambia.

Lastly, the fourth and last group is the one of the “nascent partner”, this is a recently new one, that sees the parties beginning in engaging with each other, as in the case of Côte d’Ivoire.21

The theory tends to focus on the relations between the parties regardless of the dimension of the two actors; when considering the classification of kinds of partnership, the proportion of the State was not the main focus- to show that “no matter a country’s size or its current relationship with China, there is room to strengthen that relationship and advocate for its (own) national interests.”22 This mindset is in accordance with the branch of study of the small States literature, once more supporting such mindset and providing a resourceful guideline to use for analyzing the changes in characteristics of the Sino-Djiboutian partnership. Thus, this model will be used to address the empirical finding and provide the framework to answer both the research question about how Beijing presence and intervention affected Djibouti, but also contribute in identifying whether the Sino-Djiboutian partnership underwent some changes from the initial phase.

Then, to analyze the changes in the matter of power-balance shifts within the same partnership in question, there are other theories that can be used complementarily, such as Nye’s power classification. Within the IR debate, under the liberal mindset, Nye attempted in formulating a classification of the different shades of foreign influence - “power”: Soft, Smart and Hard Power. The
three dimensions identified present different characteristic determined from by degree of inclusion of
the partnership and by the changes produced within the addressee soil. With the term ‘soft power’
Nye referred to “the ability to get what you want by attracting and persuading others to adopt your
goals.” This kind of power manifests itself in a subtler way and can be used by a State for
successfully influencing another’s one actions and behavior in the International arena -rather than by
relying on military force- only thanks to the employment of a nation’s cultural, historical and
diplomatic influence.

In the current timing, as the world is continuously becoming day by day more globalized and
others non-state actors are gaining more and more importance, appears that the concept of the ability
of manipulating the preferences without the use of the force gains further importance. Recalling Nye
work on soft power: “Modernization, urbanization, and increased communication in developing
countries have also diffused power from government to private actors […] multinational corporations
are sometimes more relevant to achieving a country's goals than are other states. The annual
overseas production by such corporations exceeds the total value of international trade.” Indeed,
this point appears to mirror the current situation where exist private corporations possess more
powerful that some third world’ States.

Such categorization could be helpful to understand the way Beijing presents itself and its
image towards third parties. Thus, by falling back into the topic in analysis, connecting soft power
with China foreign politics, there can be found some example of the establishment’s commitment to
perform such power dynamic. Indeed, a clear example could be provided by recalling the statement
from China’s former President, Hu Jintao, while still in office, in 2007, at the 17th National Congress
of the Communist Party of China (CPC). The then-president called upon the need for the State to
exports its own culture while at the same time learning more on the methods and debating emerging-
thus, sponsoring the Chinese scholars’ community to contribute to the debate on soft power. Another
objective stressed was on the need for China to spread globally its image, which led to investments
in media broadcasting agencies such as Xinhua in order to ‘rejuvenate’ the nation to make the culture
thrive.25

23 Ibid.
25 Mo Hong'e, Hu Jintao calls for enhancing “soft power” of Chinese culture, Xinhua, 15/10/2007;
In addition, a current example could be also provided by the BRI narrative. In fact, the communist party’s propaganda has its stress set on terms such ‘win-win cooperation’ and ‘mutual development’ that represent the rhetoric tool used to spread Chinese influence worldwide. Such narrative registered a positive return appealing specially to developing countries such as the African ones -mostly because China represented an opportunity, a breaking point, from the western’s dynamics of power. China presented itself as a fellow developing country helping its equals rather than a former colonial power performing aid.

A link between soft-power and the current foreign policies actions carried out by Beijing has also been formulated by Nye himself that identified in the Confucius Institutes a clear example of China’s soft power. In fact, Nye focuses on the effort Beijing pushes in promoting its culture and a positive image of itself, also thought the media cover.\(^\text{26}\)

Instead, to address the power dynamics linked to the policy based on coercion, Nye formulated the notion of “Hard Power”. This term refers specifically to the use of the military and economic tolls to directly influence the behavior of target parties or other political bodies. It is the kind of influence that a powerful state exercise on its weaker neighbors. Citing Nye, hard power is “*the ability to use the carrots and sticks of economic and military might to make others follow your will.*”\(^\text{27}\)

When providing an example of hard power, the classic solution is often to look at the military sphere (if there is coercion employed) that is a way to directly demonstrate one’s party power and its ability to influence actively the other party. However, another form of coercion could be found in the economic sphere, the attention should be thus focused to see if there are in place paths of dependence where one State rely heavily on loans or grant from others to sustain its economy or its debts.

An example of coercion that has been blamed on China’s foreign actions takes the name of ‘debt trap’. With this term ‘debt-trap diplomacy’ in fact, it can be referred the custom according to which China is prone to allow loans (even in conspicuous amounts) to country that cannot afford to repay it back.\(^\text{28}\) This path leads to the development of unequal conditions where the governments and the State themselves are deeply indebted to Beijing. Even if in the short term the developing States benefit

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from the loans, it appears that the custom is not sustainable in the long run and might even worsen the initial situation.

Then, given the change in the global scenario Nye made a further development within its first theorization, coining the term of “smart power”. With this term the author addressed the effort from the State’s political, economic and military sphere merge together to boast the influence and image of itself. The result is an improved and more effective kind of foreign policy; “Smart power is the ability to combine hard and soft power into a successful strategy.”

An example on how to pinpoint dynamics of smart power could be from focusing on whether, within a State’s border, there are in action policies that could classify both as soft and hard power. Referring to the case study of Djibouti, and its link with Beijing, the attention might be focused on understanding the reasoning behind the establishment of the military basis on the soil, to see if the scenario presents a connection between the military sphere and economic one. This focus could allow to see if there was a change in the dynamics of power, from economically driven to politically driven; consequently, to the increasing influence Beijing is gaining in the area. Indeed, it appears that given the regional trend, “China is a major actor in influencing political, economic and business-related decisions in the African continent”30, one could not develop an analysis on a little African State such as Djibouti without acknowledging Beijing presence. Moreover, given the weak economic system that Djibouti presents, the mentioned notions could be useful to determine the kind of partnership the actor engages with Beijing; if the State is able to address the partner as its equal or not.

In conclusion, the three shades of power mentioned will be used and recalled later - in the empirical findings - to provide the framework for answer the research question of whether the Sino-Djiboutian partnership can be classified as win-win cooperation and for mutual development or rather if it’s a form of unbalanced alliance. Then, the three classifications can be functional also to reflect on the changes experienced in the partnership, targeting the changes experienced in the power dynamics between the parties - rather than on the economic characteristic of such changes (that could be better enlighten with the model above).


In addition to these concepts, has been developed recently, at the end of 2017, a new one to address specifically the political choices made by China (but also Russia)\(^\text{31}\). The authors, Christopher Walker and Jessica Ludwig (of the National Endowment for Democracy) analyzing the methods and the kinds of policies implemented, felt the need to coerce a new term to address any policy implemented by authoritarian regimes to boost their sphere of influences. Focusing on China, the peculiarity that emerges is how, while on its internal territory there is a strict state control to avoid any kind of cultural interferences, on the exterior the effort is put on praising the need for openness for democratic systems abroad. This clear division in the distinction between an internal/external policy is the reason that motivated the authors in stating that China externally of its borders is implementing “Sharp Power”. China with its contentious expansion of the economic and business interests globally, has the focus of its government active at targeting and discrediting any critiques directed to the actions or policies of the central government (and the Chinese Communist Party) both internally and externally its borders.

Thus, the choice of the term “Sharp” meant to indicate the effort of authoritarian regimes to influence- penetrate and perforate- the political and information spheres in chosen countries. The sharp tool used to perpetrate their influence is presented as a harmless policy, whose true -hidden-aim is to manipulate the audience -addressee- using distorted information to appeal to them. Indeed, as Nye predicted “Information becomes power”.\(^\text{32}\)

When it comes to examples of implementing such power, in relation to the Asian giant, the clearest example is represented by the Confucius institutes. These institutes are official linguistic and cultural institute, sponsored by the central government as a tool to spread knowledge on China’s culture worldwide. From the initial purpose of the institutes, to spread a positive image of the State- that could fall back within the soft power perspective, the government is blamed to have operated a shift, from spreading knowledge of China’s history to rewriting some critical and sensitive parts of it according to the central party’s rhetoric.

Indeed, the critique moved towards the Confucius Institutes focus on the they operate in readdressing the narrative on ‘sensitive issue’, providing a history fixed on the government perspective, e.g. in the case of the history of Tibet and Taiwan. Such critique has also been voiced by

\(^{31}\) Indeed, in the paper where the term makes its debut and in its subsequent follow up, the authors use it to refer specifically to the cases of China and Russia.

\(^{32}\) Nye, op. cit. 1990.
Nye himself that explained how subtle (and easy to cross) the line between soft and sharp power could be; indeed, until China government does not enforce or modify history, these institutes represent a good example of soft power but, if such line is crossed it becomes something more than merely soft power.\textsuperscript{33}

This example appears to sustain the motivation provided by the author, of the need for a new categorization, to update the previous one used for the Cold War period. Even though if the classification was meant for the relations among authoritarian/democratic States, it can be applied towards every scenario where there is a State attempting to undermine another one’s sovereignty. Such attempt could be carried out even without coercion, simply by manipulating and managing at its own advantage any information about itself in the news media and educational systems of another country; independently from the aims, that could go from misleading or dividing public opinion in such country, to just masking or redirecting the attention away from negative occurrences about itself.

From the emersion of the new term, it has emerged consequently a debate about its nature and use. The debate argues on whether this new kind of power classification could simply be redirected within the two already existing ones (soft and hard power); some scholars indeed argue that “\textit{Sharp power, the deceptive use of information for hostile purposes, is a type of hard power.}”\textsuperscript{34} However, there are new elements to consider, concerning the new facilitated degree of penetration in other countries spheres given the higher speed at which false narrative can be spread with minimal costs. This has been made possible thanks to the always increasing degree of connectivity in the globalized word, and to the openness of the countries systems: “\textit{It is this quality—openness and limits on deliberate deception—that distinguishes soft from sharp power.}”\textsuperscript{35}

Despite the surfacing of this new theory, the old “Soft Power” theory remains the best and most efficient way for spreading and cultivating influence worldwide. Regardless of that, it must be acknowledged that the new notion has had the beneficial effect of bringing new light to the consequences of the changes happening within the International Relation, unveiling “\textit{how quickly seemingly benign concepts and tactics can be leveraged for malicious, unilateral gain.}”\textsuperscript{36}

\textsuperscript{33} Joseph S. Nye: Is China’s soft power strategy working?, Center for Strategic & International Studies; https://www.youtube.com/watch?v=R6nkFbQ_3LY&feature=youtu.be&start=6&autoplay=1&rel=0 ; Accessed 17/05/2019.


\textsuperscript{35} Ibid.

From its part, China responded to the accusations of pursuing “Sharp Power” during the session of the 13th National Committee of the Chinese People's Political Consultative Conference -CPPCC, at the beginning of 2018, march (recorded by China Global Television Network o CGTN).37

In the occasion, the spokesperson for the first session of the assembly, Wang Guoqing, addressed the question of the press about China’s take on the accusation of using ‘Sharp Power’. He diminished the notion as an attempt to discredit and smear China worldwide, saying the notion is not worthy of considering given is not the first-and according to him, the last- attempt to damage China image. He puts the stress instead in the need to increment the commitment between China and foreign states to develop mutual cooperation, mutual understanding, underlining once again the narrative of the win-win cooperation (duly mentioned in the response). He justified China attention to external representation as the attempt of the newly emerging power to present a rightful image that would mirror China in the most truthful way possible, especially since nowadays Beijing has finally gained a voice in the international arena. The take of the interview is thus, China dismisses any accusations of sharp power from its part and instead, calls for more inclusive partnership aimed at mutual development. Once again when mentioned Chinese foreign actions, there is no rhetoric of aid but instead appear the notions of a shared future and the need for win-win cooperation.

The choice of reporting the emersion of such further classification related to the previous theories, and the direct link it shares with China is because it could provide new spark and reflection on the case study in question; specifically comparing it to the policy that China actuates towards Djibouti, it could be functional to determine whether it occurred a shift in dynamics.

Indeed, by comparing the degree of influence implemented by China, from the range -soft, smart, hard, sharp power- it could be unveiled the level of closeness of such partnership and how the States relate to each other. Such framework would be functional to answer the research question in relations of the nature of the partnership (win-win or unbalanced) and the degree of change produced within. By focusing on the sharp power framework in relation to China and Djibouti, it will be argue in the empirical section, that Djibouti grew of importance in China’s agenda according to the role it could play in improving its international role towards the African continent.

Thus, the theoretical framework supports each other in the joint attempt to present a clearer picture; providing a good fit to show the trend and the dynamics of the Sino-Djiboutian partnership.

1.5. Source Materials and Method

When it comes to the materials and the methodology, the first thing that must be stated is the method used throughout the work in order to develop a critical analysis, which in this case of study is a qualitative one. Such methodology represented the best fit to analyze and deepen the understanding on a main topic by focusing on a single case of study: China’s foreign policy of the Belt and Road and the study of its approach and repercussion on Djibouti. The sectorial focus on quality over quantity, is functional to present the case of study as potential new insights in contributing materials for the debate on the wider topic. Moreover, the case of Djibouti presents some features that make it useful to address the supranational debate questioning the role of China in Djibouti, also in the whole African continent.

The choice of applying a qualitative method is functional to uncover patterns or correlations of facts by focusing on the information and its nuances rather than numerical data. This allows the study to go into the detail and underneath the superficial and rational scenario provided by statistics. Despite that, there are some critiques on the qualitative methodology regarding its inability in considering the same amount of statistics data profoundly, along with the critique of being more subject to bias -and thus, it is less objective. In fact, it is often argued that to develop objective studies, the ideal method to carry out should be a quantitative method; where the scholars tend to focus on collecting and then analyzing a huge amount of analytic and statistics data in order to trace the finding and develop the conclusion. Quantitative method is less people-oriented and thus, more prone in avoiding biases -even unconscious ones. However, as qualitative studies hold the main stress rather than on the amount of data and situation concerned, on the degree of deepness of the analysis, appear the best fit to apply towards a case of study.

The case study presents also an additional value when it comes to the methodological sphere. The study fits in fact, within a ‘niche’ branch of literature: the small States. This branch often tends to be overlooked into academic debates as the focus of the international communities’ verge on the bigger and more influential actors. However, the choice of using a small State as a case of study is supported by the academic community that, in the study of International affairs, is relying on the analysis of small countries, considered as an insight view. This branch of scholars underlines the
unreached potential of such States that often tend to be overlooked in the mainstream analysis on a global trend: “in terms of scholarly value, each case, no matter how small, can derive new insights into the way politics works. Indeed, by studying the systems of understudied nations, instead of those that we already know much about, we are likely to learn much more.”

The debate also produced a model to use as a guideline that tend to be replicated in small States due to the lack of internal diversification; this lack often has been the cause that has led small States to become highly dependents on tertiary sector and imports. The model applied to the Djibouti case appears to be proven right and useful once again as all the mentioned features appear to be visible in its scenario. Djibouti’s economy, in fact, relies mostly on foreign exchanges, foreign investments, and from taking advantage of the geographical resources- mostly the profitable commercial route – in accordance with the guideline model.

The choice of Djibouti as a case of study is supported by a branch of scholar communities and this thesis aims at providing a further additional facts to the literature and the debate against the academic community that believe the smallness of the State’s dimension represents a disadvantage-although this belief has not been proven critically.

Additionally, the thesis also discusses the fact that the little State could be considered as an archetypical case. The term ‘archetypical’ aims at addressing those study cases that by presenting innovative characteristics can lead to the creation of a new category; within this category, the same case holds the role of representative. In fact, Djibouti presents some different features with the mainstream model and interactions that can be traced between its neighbors and the Asian giant, but also within its system.

Then, when illustrating the methodology applied in carrying out the work, the approach used is the deductive method. In fact, as presented in the previous pages, the work starts from pinpointing some of the main theories of the IR field that provide the best ones to the case study and could bring

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38 Veenendaal, Corbet, Why small states offer importance answer to large question?, Comparative Political Studies, Vol. 48, n. 4, 2015, p. 530.
42 An example of such features could be found when analyzing the economic sector; as mentioned, rather than by agriculture the system is supported by third and foreign investors in the logistic and commercial sectors, sphere that boast the economy along with the influence of the State seeking recognition for its geo-strategic importance.
an understanding to support and answer the research questions expressed in the thesis. The theoretical framework presented is functional to portray a two-face perspective on the topic, in order to analyze both levels of closeness in the Sino- Djiboutian partnership and types of power consisted. To determine the first features, the model of China interaction presented by Irene Yuan Sun, Kartik Jayaram, Omid Kassiri is functional; able to show the variations from past to present in proximity within the partnership- towards a more stable and tighter bond. Another reflection that could support and avail the thesis is based on Nye’s definition of power -Soft, Smart and Hard power- and the newly term of Sharp power; these theories altogether could provide an insight to the second perspective and unveil the type of power-dynamics ongoing between the parties and on the soil. The joint effort in perspectives aims at unveiling whether the theoretical framework fit the empirical findings and supports with new assumption the wider debate ongoing or not; whether the theories can be used to question the current situation present in Djibouti or how these theories could help to elaborate and to explain the changes presented, sparked from the partnership in the analysis.

The choice of focusing on a specific case study is functional to stress, rather than macro-trends, the “‘how’ and ‘why’ type questions, while taking into consideration how a phenomenon is influenced by the context within which it is situated.” In this framework, the case of Djibouti could be drawn back to the category of ‘instrumental’ case study type. Within this category, the case study is often looked profoundly by scrutinizing the context and detailing the activities to help the researcher in pursuing the external interest; in fact, the term ‘instrumental’ is referred to the role of the study case plays, providing insights into a wider issue or helping to refine a theory. In fact, as mentioned above, Djibouti analysis would be functional in discussing the emerging role of China that is achieving the recognition regionally and globally, to speculate the future global trends.

1.5.1. Materials

Then, when it comes to the material used to carried out the work, the first thing to acknowledge it is important that, according to the most recent data, from 2019, collected by the Freedom House Organization, Djibouti classifies as ‘not free’ under the date related to ‘press free status’. Thus, it falls

within the small percentage of the remaining 25% of the world still affected by this condition, scoring a rank of 26 on 100 points (with 100 being the freest State and 0 the least one).\(^{45}\)

The presence of censorship reflects a bias media coverage (and ownership), Djibouti - but also Beijing - counts with media that are under the monopoly of the States, with access to them denied from the opposition. Thus, it must be acknowledged that the information and material collected through the official canal of the States reflect the official narrative sponsored by the establishment. To balance out this bias the information is compared and crossed from the ones collected by unbiased sources -provided by International rather than national organizations.

The sources employed, divide then between the primary and secondary ones. The primary sources are the one collected from the IR debate and presented in the theoretical framework, this first group of sources are constituted from academic publications; then, in order for the macro theories to fit in the scenario of choice and given the current timeframe chosen, the second group of sources is mostly constituted by information from articles, newspaper and media coverages, able to present an update picture of the current trend Djibouti presents.

The work has been carried out always keeping in check the need to balance the bias, carefully avoiding the falling into the official narratives produced by the States and their reproduction; an example of that effort is reflected in the use of sources chosen.

In the thesis are present articles and documents provided by the “China Institute for International Strategic Studies (CIISS)” of Beijing, that tends to reproduce the perspective provided by the central government (as this institute is basically a study center that gives advices on policy to the central government, concerning also military issues - the center is indeed subordinated to the intelligence department of the Chinese People’s Liberation Army, PLA). However, to level the bias, the information recalled are cross referenced from the ones providing almost the opposite view, following the US’s guideline, such as the Journal “Foreign Affairs " or publications from the RAND Corporation. The first source (Foreign Affairs) covers issues related to International Relations and on United States policy, but with a bias perspective as the it falls within the wider ‘Council on Foreign Relations’ (providing a view from US perspective, right-wing). The second one (RAND Corporation) also presents a strong US narrative influence given that the corporation was founded in 1946 by the US Ministry of Defense.

As it emerges, the use of the source aims at presenting and collecting the most recent and current materials available, trying to balance the two mainstream narratives - the Asian and the Western one.

A last note must then be addressed to the fact that the regions of analysis suffers from a lack of transparency; thus, once more it emerges the need to confirm the data by cross matching the sources and material from both perspectives (using both media).

Ultimately, the choice that motivated the work was dictated to deepen my knowledge on a matter that I believe holds a strong weight and potential in the current time; as it represents one of the main phenomena ongoing at a global level, both in the political and economic spheres.

The case study holds potential to provide a new perspective on the topic, since the tiny African State tends to be overlooked in the mainstream attention by the media but also from the academic scholars that tend to prefer bigger countries as focus for their study cases rather than smaller ones, such as Djibouti. Instead, the thesis will attempt to show that this actor holds deeply favorable assets and, if used as focus, is able to provide new insight on the phenomenon.
2. Background

Before narrowing the focus on Djibouti, it is important – in order to have a clear image of the topic – to present an overview of Beijing interaction with the African continent and mostly of the Belt and Road Initiative. Why is such policy so important? To understand the shift Beijing foreign actions underwent, and how this shift in policy has reflected on the relations among the two actors and the effects it produced in the current trends.

Furthermore, to be able to understand the internal dynamics of Djibouti, a general overlook of the State is needed, with an introduction to its historical and social past, that – as in many other neighbors – has been and still is affecting and reflecting the historical heritage.

2.1. China in Africa before the Belt and Road Initiative

The first interactions between the Asian giant and the African continent, according to the Chinese storytelling perspective – of the “return to Africa” –, can be traced back to the Song Dynasty (960-1279). However, the first official recognitions of such relations and evolutions date to the Ming Dynasty (1368-1644) due to the help of the Chinese explorer Zeng He. A further evolution of the relationship was possible, many years later, after the funding of the current People Republic of China in the 1949.

However, the turning point of the modern Sino-African relations can be identified with the Bandung Asian-African conference, in 1955. This event represented a new pivotal moment as for the first time former colonized nations had the opportunity to voice and represent their countries’ interests

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46 Following the storyline of the Sino-foreign interactions, from an economy perspective, another scenario could be presented, developed in three periods. The first one, dating back ancient China (later period of slaver society approximately from 500 B.C. - 400 B.C. to A.D. 1840; the second period, the semi colonial and semi feudal phase, it is the larger one and can be placed approximately from A.D. 1840 to 1949. The third and last period is the one where China established itself as the socialist regime of People’s Republic of China. For the first two periods the economic external contact were mostly based on trade (that was one of the subsistence means along with agriculture). It is in the last period when China supported an opening up policy and directed effort towards foreign economic investments. An Chen, The Voice from China, An Chen on International Economic Law, Springer, London, 2013, p.69-70-90.

instead of being submissive to the ones stated by the two superpowers. Moreover, the absence of the Western powers to the event represented a clear rejection and a condemn to colonialism.

For China, the conference represented the ’starting point’, it marked the Beijing entrance on the International arena. China strategic actions within the conference were deeply successful, allowing the state to become one of the guiding leaders of the event.

The conference represented also the inauguration of the first take of China foreign policy, with the emersion of a policy that could be identifies as the fil rouge of Chinese politics towards the African continent: The Five Principle of Peaceful Coexistence. These principles, elaborated in 1954, represented a set of principles and rules, to address the behavior China would commit for the forthcoming partnerships: (1) Mutual respect for each nation’s territorial integrity and sovereignty; (2) Mutual non-aggression; (3) Mutual non-interference in each other’s internal affairs; (4) Equality and cooperation for mutual benefits; (5) Peaceful coexistence.

The initial motif that pushed China towards Africa was to gain support of its own ideology and spread it own model of communism, actions that were paired with long-term benefices and suitable and favorable conditions, that made Beijing aid and involvement attractive to lesser developed partners. Following such efforts, China also participated into the movement of the “Third Word”, supporting the idea that China and African States could work together, with Beijing as the leader of the front, as it auto-classified itself as developing country. Given the shared similarities, China bound to help African States fight inequalities towards shared development.

Thus, the two main agendas that China initially pursued, when entering African continent, were to win over allies for the international recognition of People Republic of China instead of Taiwan in international representation for and to acquire influence by competing with the Western and Soviet Union’s influence on the continent.

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49 Indeed, the outcome of the event saw the approval of ten guidelines principles -Dasa Shila Bandung- focused on key issues such as the respect of human rights, sovereignty and territorial integrity, equalities of all ethnic and cultures, non-interference in others’ internal affairs and abstention from the use of force. Elisa Banfi, ‘Bandung, aprile 1955: il mondo afro-asiatico si presenta’ in Giampaolo Calchi Novati, Lia Quartapelle, Terzo Mondo addio, La conferenza afro-asiatica di Bandung in una prospettiva storica, Carocci ed., 2007, p.26-27.
The renewed attention for the potentiality presented by Sino-African cooperation became clearer to the Asian State with the achievement of the first objective reached in 1971 when People’s Republic of China (PRC) replaced the Taiwan-based Republic of China (ROC) as a member of the United Nation; the votes of the 26 African States were decisive for Beijing’ win as constituted 34% of the total General Assembly votes.

Moreover, the similarities between China and the newly independent African States were tangibles, so it seemed only right to support the rising independent movements in the continent, morally, rhetorically but also practically with weapons and military training. Chinese engagement in the anti-colonial movements was thus, at the core of Chinese policy for Africa during the 1960s.\(^{53}\)

In the following decades however, the growing pace of Chinese economy’s development sparked the necessity to rewrite the ‘aid’ narrative. The terminology of the policy switch thus, from ‘aid’ to ‘win-win cooperation’ and ‘mutual interest’ as the new basis for economic co-operation; here is visible the first emersion of the narrative that would be later recalled for the Belt and Road Policy.\(^{54}\)

Currently China maintains diplomatic ties with 54 African states out of 55, the most recent shifts are Sao Tome e Principe, 2016, and Burkina Faso, May 2018. Given the “one China principle”, stating that in order to be able to tie diplomatic relations with Beijing, any African State had first to sever any preexistent diplomatic ties with Taiwan, Beijing currently boasts the upper hand on Taiwan -that can count only with few remaining allies within the whole continent, the state of Swaziland non-officially known as the Kingdom of eSwatini.\(^{55}\)

Concluding this brief overview, it must be mentioned that a significantly important year in the history of the Sino-African relations was represented by 2006, also called “China’s year of Africa”, as it marked the release of China’s first Africa policy statement. This event led to an interstate’s tours

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\(^{53}\) From the lecture of Professor Andrea Francioni, ‘La cooperazione Cino-Africana: un profilo di storia politica’ at the University for Foreigners of Perugia, 10/12/2018.

\(^{54}\) The points were proposed by the Chinese President Jiang Zemin, during his tour -the same year- to six African Countries. The points were meant to guide the policy of China towards each of the African counterparts and were called “Long-term Stable China-Africa Relationship Of All-round Cooperation”; the choice of words indicate that China once again, reassess the importance on the mutual cooperation “win-win”. The principles were focused on remarking upon the friendship between the two parties (the African States were considered as a unique block), equality, mutual respect, mutual development and cooperation in the international context, and a positive gaze towards the future.


among African partners by both the Africans and Chinese presidents and the foreign ministers and, at the end of the year, concluded with the event of the Forum on China-Africa Cooperation -FOCAC-meeting that registered a further success having been attended by 48 African head of state. During the forum was also established a special fund “China’s African Development Fund”, activated the following year -2007- with an initial budget of US$1 billion as part of the projected US$5 billion aimed at supporting Chinese business investments on the continent. In accord with the optic of win-win cooperation the project ambition was targeted to improve both the addressee state’s condition and Chinese enterprises wanting to invest on the area; the beginning of the narrative for the Belt and Road it appears thus, to be already set and in motion.

2.2. The Belt and Road Initiative

The choice of analyzing the Belt and Road Initiative-BRI, among the other past Chinese foreign policies, comes as the natural selection when pursuing the attempt of understanding and reasoning about China foreign policy actions. This policy, due to the massive investments and efforts involved has been addressed by many western scholars as a “Chinese version of the US Marshall Plan”. The project was strongly supported and wanted by the then-newly elected (and still current) Chinese President Xi Jinping and was aimed at promoting a new image of China to expand its influence -both economically and culturally.

The policy owes its name to its ‘mission’ itself: recreate the old silk road. Indeed, the Belt and Road Initiative tries to bond together the ancient trade dual corridor, composed by the “Belt” land path and the maritime “Road”. The policy underwent a change of name between the end of 2015 and the beginning of 2016, from the initial “One Belt, One Road- OBOR” to the current one, to avoid any

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36 The Belt and Road Initiative has in common with the Marshall Plan the great amount of aid funds invested to securing alliances. The US plan provided assistance to the European nations after the war in the reconstruction effort asking in return to meet some military obligation (to prevent the creation of another war). The difference lies in the funds amount estimated by the Chinese government (the budget is higher -US $ 1 trillion- than the US plan- estimated of about $12 billion, now the worth would be of circa US $100 billion) and in the requirements; China does not have special requirement just the will to develop new strategic partnerships around the world.

misinterpretations that could lead to think there was just one main way possible (however, the acronym OBOR can be still found in some media that address the policy with its initial name).^57

The policy has a large reach, it touches the mayor world’s economy and 65 countries, however this number appears to be on the growth as new ties are being created consequently to the growing Chinese influence (see image 1 below).

![One Belt, One Road](image1.png)

1. Belt and Road Initiative- BRI.

Source: Morgan Stanley Research.

To support the spread of the policy have been created special funds, both provided by the Chinese government and from international actor, such as the World Bank. Since the start of the project, at the end of 2013, Beijing has poured nearly $700 billion worth of Chinese’ value money into more than sixty countries. The policy overall cost updated to 2018, is estimated to be around $1 trillion. Recently, at the 2018 summit on Sino-Africa cooperation, Xi Jinping has announced a future

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increase to the founding that could boost up the overall investment of the policy surpassing the threshold of current $1 trillion investment, to $1.3 trillion. The policy is implemented by the central state that is also promoting alongside, a push for the internationalization of Chinese firms, to double the possibility of success. That is, the policy would be made stronger by additional supports from Chinese private firms’ investments, that are not included in the sum prospected.

However, the policy, as any other, has experienced its setbacks as some countries started worrying of the rising influence of China and started questioning its methods. Unlike Western States, China does not require its partners to meet essential strict basic conditions, e.g. about democratization, political pluralism, human rights, or financial sustainability. Its approach indeed is also known as “no-strings attached approach” to symbolize the lack of requirements for getting China’s help. The consequence of this lack of requirements mirrors the lack of the principle of accountability, and there have been cases where it ended up adding to corruption, or over-debt. For such reason, a shared call has been emerging from the international community upon the need for more transparency and accountability though the development of the policy.58

The Belt and Road Initiative represents the attempt to profits, in term of geopolitical strength and economic outcomes, from China’s blossoming phase, the increased wealth and industrial know-how.59 To further upper its global status, the policy aims at redirecting at its own gain the trading routes: “It is global commerce on China’s terms.”60

Between the most ambitious projects sponsored within the Belt and Road Initiative framework figures one including Djibouti: the creation of the railway that connected Ethiopia and Djibouti.

2.3. Djibouti

Starting by presenting the State of Djibouti a first mention must be addressed to its colonial past, past shared also with many others of its neighbors. The State was for a long time submitted under the influence of France (for the whole period from 1882 to 1977) that had colonial claim over

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60 Jane Perlez and Yufan Huang, loc. cit.
the little strategic country. The current official name Djibouti was changed in 1977 when the State reached its national independence, via referendum. Previously, under the France colonial period, the possession was firstly referred as French Somaliland, between 1896 and 1967, and later on the name changed to ‘French Afar and Issa’, from 1967, such name remained until the State’ independence in 1977.

The change in the naming of the state reflected the dynamics ongoing on the region; ultimately the last name chosen to address former French colony was ‘Afar and Issa’ representing the two main ethnic groups living in the State. The Afar in fact is the ethno-cultural group presents in the north of the country; they are the most ancient community located within Djibouti borders (even though today they are fewer than the Issa). The Afar are semi-nomads as the mean of subsistence of the population is transhumance migration towards the Eritrean and Ethiopian nearby regions. Instead, the Issa, also called Somali Issa, are located mainly in the southern part of the State and in the area that is present-day Somalia. They represent the most populous group, also thanks to the always increasing migration flows coming from the near former Somalia state.

Upon these two ethnicities, the colonial presence on the soil was deeply involved in a racial separation that produced a ‘crack’ within the society; such difference deeply shaped the evolution of the state. The imperialist method of divide et impera has successfully rooted within Djibouti, posing the two ethno-cultural communities in competition to achieve sociopolitical power.61 Between the two ethnic groups, the French rulers favored the Afar, and this difference in treatment is at the roots of the social tension between the two clans. Later on, a change was produced in the society as the Issa group sponsored and begin to call for the independence referendum. Alongside their voices, also their presence grew stronger due to the migration flow that reflected in the growth of them seeking for representation; in the end successfully. With the achievement of the national independence a power shift came in action, from the Afar to the Issa.62

The effects of such separation politics narrative are still present nowadays as the clear separation perpetrated continues to show two faces of Djibouti divided along ethnic lines, reflecting the country’s two ethnic groups, the Issa and the Afar.63 The presence of such ethnics reflects a

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popular prevalence of the Issa, that constitutes around the 60% of the total population while the Afar are roughly the 35%.  

Coming from a recent history, nearly 41 years of independence, Djibouti has only had two presidents, making the State a family dynasty run: the second and current president - Ismail Omar Guelleh - is the niece of the first one - Hassan Gouled Aptidon. Furthermore, Guelleh previously served for twenty years as the Chief of Staff and head of state security forces for the first president - his uncle, so the structure of cabinet is nearly identical. In Djibouti thus, even though formally the state power frame is of a democracy, the power changes hereditary. Indeed, the election process always represents a delicate and controversial moment because of the oppression of any opposition, with the government forces openly scaring the people voting. The state apparatus is based on an only party system, that has seen the same party in charge since the independence: People’s Rally for Progress (PRP), as a result politics in Djibouti personalized around the figure of the president.

Djiboutian system lacks also of accountability: the institutional apparatus is controlled by the president himself that has centralized in his hands the state’ power and is thus responsible for the creation of laws and policies, is able to influence the economic sphere and even directly choose the how and where of the investments. His power covers also the judicial system, indeed, the second president, Guelleh successfully changed the text of the constitution at his own favor to eliminate any time limitation to the presidential office. Guelleh, in charge from 1999, recently (in 2010) changed the Constitution to remain in office after the second term; having won the election in 2016, he was confirmed in charge and he is currently serving his fourth term.

Given the malleability of the juridical structure, even though the state allows the presence of an opposition party, the system in place is designed to restrict the range of its actions and its freedom of expression. Moreover, the opposition lacks the means and the resources to be referred as an equal contender: apart from lack of organizational and financial capacity, the opposition party is also affected by division within itself leading to count an inferior number of members.

The internal situation Djibouti presents, the same as many other African countries, is marked by an uneven distribution of wealth; while the major part of the population lives in poverty or suffers

64 Redie Bereketeab, Djibouti: Strategic Location, an Asset or a Curse?, Journal of African Foreign Affairs (JoAFA), Volume 3, Numbers 1 & 2, June/December 2016.
extreme poverty, among them, coexist also a powerful and rich élite. Given that the State lacks a redistribution mechanism and that the élite is deeply merged in the status apparatus, the system tends to maintain the wealth among the few oligarchic families. Indeed, the Djiboutian establishment succeeded in maintaining unchanged the original ethnic lineage at the vertex of power throughout generations, still today the élite comes entirely from the ethnic group of the Issa. The group permeated the whole status apparatus, covering all the most important roles in the military and civil spheres. Thus, Djibouti classify as a medium income state while on its soil there are still some basic needs not met that are basically problematics typical of low-income states, such as Food insecurity. The state indeed, despite its growing economy still classifies as having one of the highest levels of food insecurity and poverty rates of the planet.

This scenario appears sharing some similarities with the Chinese one, where there is also a strong difference in internal wealth distribution. Thus, there can be moved critiques on whether Beijing influence rather than improving the condition of the State towards development – and specifically equal and sustainable development – is having a positive turn or not. Moreover, apart from the social sphere, from the International community have been moved deeper critiques moved towards Djiboutian government and representatives about the effective respect for sensitive issues as human rights and on the level of actual democracy.

Then focusing on the economic sphere, it emerges that Djiboutian economy presents several features that makes it a peculiarity, respect the other African ones present in the area. A first difference is presented from the fact that such economy receives its incomes in foreign value - in the measure of around 70% of the total income - however, a big part of the public spending is in the value of Djiboutian Franc. To maximize and perfect the exchanges, Djibouti also fixed the value of its own currency – Djiboutian Franc - to equal the one of the US Dollars. Consequently, Djibouti economy

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67 The term “food security” refers to the opportunity for people to have a secure access to food. This issue emerged in the 1970s and its initial meaning was tied to the global production being scarce, producing high prices. The topic reached a new mainstream attention with the crisis of 2008; with the speedy increase of food prices, the percentage of the hungry population reach new low picks that, even after many years, have not come back to the level prior to the crisis. Ultimately, the quest for equal access to food still represents a challenge and a main urgency to many African countries nowadays.


69 Federica Guazzini, 2012, op. cit., p.27.

can be considered as one of the highest costs of living economy among the ratio of African States. 
Secondarily, contrarily to many other African country, the economy of Djibouti cannot count on the 
agricultural sector as, due to the non-favorable climatic conditions, the agricultural sector is very 
small, moreover Djibouti suffers highly from periods of drought.

These are the reasons that pushed the State in choosing to invest in the service’s sector, 
overlooking the agricultural and industrial ones. Currently, the services’ sector employs almost the 
60% of the total working population, accounting for almost 80% of the GDP- the Gross Domestic 
Product- produced yearly. Among the service sector, high importance is on commerce, indeed, it 
seems fit the statement: “nearly everything available for purchase in Djibouti is imported.”

The private sector of the State is underdeveloped, and the public cannot respond adequately 
to the demand of work.

The whole economy thus, relies heavily on trade; in fact, thanks to its strategic position 
Djibouti is recognized as a logistic stop for around the 20% of the worldwide trades. The State 
represents also a stop for the transit of 10% oil transport worldwide, ranking as the fourth global sea 
logistic stop for energy supply and trade.

Indeed, also according to a researcher from the IFRI -Institut français des relations 
internationals, Selon Pierre Yves Vircoulon, “Djibouti est non seulement une position géostratégique, 
mais est devenu une porte d'entrée au commerce international en Afrique”.

Thus, a high volume of trade is what drives the economy allowing the State to classify as a 
profitable economy on the rise despite basically having no productions. The subsistence of the State 
largely depends highly from the revenues provided by its deep-water harbor; the current expansion 
in the sectors of logistic – transportation - and utilities infrastructure represents the towing spheres of 
the economy. Its strategic location represents the ultimate leverage for the State hub’s ambition; 
indeed, the focus Djibouti is setting on improving trade goes thought the improvement of its ports.

In conclusion, Djibouti regardless of its recently establishment claims a quite stable political 
situation - compared with its neighbors and the rest of the African continent standard - aiming at 
establishing itself, thanks also to the strategic position, to the role of regional advisor. This feature

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71 Jennifer N. Brass, op. cit., p.536.
72 Tirthankar Chanda, 'Djibouti: la cité-État se voit en «Singapour de la mer Rouge»’, RFI. 23/02/2018 at: 
17/12/2018.
73 Alexandra Brangeon, ‘«Washington craint la mainmise de la Chine sur des infrastructures» de Djibouti’, RFI. 2 March 
and compelling economic policies specifically stimulate the attention of foreign investors. Among the many, China; the Asian giant seeking to establish a new strong trade route between Asia, Eurasia and Africa has indicated the tiny state as one of its strong focal point for such route. Djibouti has been included thus, in the Belt and Road Initiative, one of the main important and substantial policy on a global level.

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3. Djibouti case study

The chapter will focus on presenting the current challenges and scenario that Djibouti is facing consequentially of the greater investments and reliance on China.

Indeed, what can be considered a strong economic, commercial bond built over the years is unveiling today as potentially threatening to the socioeconomic but also political independence of the State.

Among the foreign actors present on the soil, the focus would be on the role and partnership Djibouti is developing with China because such partnership appears to be moving decisively and in favor of a more inclusive bond. Recently Djibouti has enjoyed a renewed international importance as a result of being identified as one of the strategic players in the Belt and Road Initiative policy; the State indeed has been marked as one of the key points in the Chinese route to spreading its influence continentally and worldwide.

The chapter will develop presenting the current investments and project China is implementing in the State, it would then move on to address the shift of the partnership, whether there are significant remarks that can be used to sustain whether China action on the State aided its development, improving the State’s economic but also social situation. Lastly, a reflection would be provided with the aid of the theoretical framework, to present some conclusion and speculate the future of such partnership.

3.1. Chinese investments and penetration in Djibouti: current scenario

As presented in the previous part, when it comes to Djibouti and specifically its economy the main distinguished trait lies in the direct link the State shares with the foreign investments, especially in the tertiary sector. In fact, one of the main incomes of the State comes directly from the renting out of the soil (to foreign actor to host their military representation). Another main trait that characterize the image Djibouti project externally is provided from the efforts the government puts in building the rhetoric of Djibouti as a unique logistic and commercial - but also military - hub.

Within Djiboutian border, the presence of Beijing is particularly visible if is taken in analysis the infrastructural sector, specifically the ports and railways.

Focusing on such sector it emerges that the second larger port of the State is sponsored, paid and built by China: Doraleh Multipurpose Port. The project represents the perfect fusion of both the
Djiboutian and Chinese interests. Indeed, the project is financed by China but the potential gains for Djibouti international status and role are exponential. The Doraleh port represents a flagship of the Djibouti State; existing far previously from the to the opening of the Suez Canal, 1869\textsuperscript{75}, event that marked the apogee of importance for the port. Since then the port underwent a big expansion, in order to meet the growing demands, that leaded to its continuous implementation and improvement thanks to the development of multiple projects. Initially, the port received its first push from the Ethiopian neighbor, in seek for a maritime access to the sea. The construction of the first railway line began in 1897 and boosted in fact also the expansion of the port’s building process itself. After 1970 the area was converted in one of the busiest trading paths of the world and Djibouti, using its geostrategic location, affirmed itself as a logistic stop on such path. Djibouti proceeded with the creation of the first container terminal port- inaugurated in 1985, and other major projects have been developed. Recently, between the bigger ones, figures the project started in 2015, promoted jointly with China’s help: the Doraleh Multipurpose Port (DMP). This project aims at cementing Djibouti’s status of critical junction on the Maritime Silk Road; such project cost was of $590 million and was a joint effort between Djibouti Ports and Free Zones Authority (DPFZA) and China Merchant Holding (CMHC).\textsuperscript{76}

The economic weight that China holds on the State has also been at the center of attention of the media questioning the Sino Djiboutian bond, whether the economic part has poured out to the political one; such question has been at the bottom of some controversial actions that the State underwent, actions seen by many as guided by the hidden motives of the establishment. That is the case of the Doraleh Multipurpose Port (DMP). The port recently underwent a controversial when the Djiboutian government rescinded from the contract with its major foreign investor, the Dubai Port World -DPW-, nationalizing the Doraleh Container Terminal port. DP World had been managing the port from 2000, with a twenty years concession, furthermore, the port was created as a joint venture between the Djiboutian port authority - Port de Djibouti SA (PDSA)- for the 66% and the DP World -for the 33%. The Djiboutian government terminated the agreements unilaterally, in September 2018,


with a Presidential decree signed by Guelleh, entered in to force immediately, the action was justified as aimed at “assurer la protection des intérêts fondamentaux de la nation.”

The unilateral decision is the last development of a controversy the States have ongoing from 2014. The controversy initiated when Djibouti government launched a proceeding against the firm after suspecting acts of bribery. Such actions would have been actuated towards some government officials, to bribe them to sign and submit the initial agreement between the parties even if it was not in the best interest of the state itself.

The DPW company responded to the State’s action forwarding the controversy to the London Tribunal court; indeed, rather than accepting a settlement, the firm moved toward seeking international legal assistance. The move was accompanied by also a public statement against Djibouti, aimed at discrediting and warning others interested investors to carefully weight on possible investments in the Djiboutian soil.

During the arbitration the DPW firm continued to operate in the Djiboutian port, but having it functioning below its capacity.

In 2017 The London court resolved the controversy, ruling in favor of the DPW. The Djiboutian authorities however, rejected the verdict, considering it null, claiming the tribunal lacked jurisdiction over the issue and decided to take further actions; thus, the reason of the unilateral decision.

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The Djiboutian response to the verdict was highly questioned on the international level due to the repercussion it may lead for the port; there was a shared concern to avoid the port becoming an exclusive China’s feature (as the Chinese firm- China Merchants Port Holdings Company owns a stake, 23.5%, in the Doraleh facility). ^80

Guelleh however, negated any rumors that ‘painted’ the breach of contract as part of a bigger plan to allow wider Chinese investments in the administration of Doraleh port, as many international actors were afraid of -given the high degree of international actors on the country and the already strong Beijing’s presence.

Indeed, as mentioned, the Djiboutian authorities motivated the breach of the contract due to the underperformance of the Dubai firm; accusing it of not wanting really to develop the Djiboutian port Doraleh (that was functioning below its capacity) in order to not overshadow their own, ‘Jebel Ali’. ^81

Falling back to the Chinese presence in the logistical sector of the State, another example of Chinese sponsored infrastructures is provided by the Addis Ababa-Djibouti railway. The project was awarded in 2011 to the China Civil Engineering Construction Corporation for the value of $1.2 billion. The percentage of the Chinese aid-in form of soft loan- covered a good part of the total cost.

The project was inaugurated officially at the beginning of 2018 and it is now currently operational. The railway project was developed by two Chinese companies working jointly: China Rail Engineering Corporation (CREC) - that operated in the Ethiopian soil from Sebeta to Mieso, 320km – and China Civil Engineering Construction Corporation (CCECC), active for the part from Mieso to Djibouti port, 436km. The project was funded by China’s Exim Bank and had a budget amount of US $4 billion. ^82


The close nexus connecting Djibouti and Ethiopia has benefitted from the amounts of China’s capitals, allowing the two states to become even more closer given the new mean of connection. Between the two neighbors there have been even speculations of a possible creation, in the future, a new free zone to support the commerce, centered, rather than on the value of dollar, on the “yuan” - Beijing’s currency.83

Beijing ultimately can be address as one of the engines for Djiboutian growth as is the sponsor of the impressive projects on construction on the soil (see image 2 below). These projects sustain Djibouti whole growth contributing to the economy but also social growth (as China sponsors education, traineeships and jobs opportunities); the degree of investments provided by China is reshaping also the landscape of the state’s ports, beach and ecosystems.84

<table>
<thead>
<tr>
<th>Project implemented</th>
<th>Cost overall</th>
<th>BRI Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doraleh Multipurpose Port</td>
<td>$ 590 million</td>
<td>China Merchant Holding (CMHC)</td>
</tr>
<tr>
<td>(DMP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Addis Ababa-Djibouti railway</td>
<td>$ 4 billion</td>
<td>China Civil Engineering Construction Corporation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(CCECC)</td>
</tr>
</tbody>
</table>

2. Chinese main projects in Djibouti

China started from 2012 to seek a more active role of security provider, helping with the peacekeeping effort from the international community; after the so called “Arabic Springs” that has shaken all the African continent, the cooperation between the two regions evolved to include a security quest. With the FOCAC of 2012, in Beijing, China upgraded its involvement to cover a Cooperative Partnership for Peace and Security. The principle of non-involvement was disregarded due to higher cause.

This event was the manifestation of the growing need China felt about having to step up in African continent, matching its economic involvement with a peacekeeping one. The first steps China

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moved on this path recalls the joint efforts with the UN Peacekeeping project in 2003. The project saw the implementation of the first Chinese military troops sent abroad for a joint peacekeeping operation. Increased commitment in peacekeeping operations was since then strengthened developing a decade later, 2013, a dispatch of the Chinese peacekeeping force in Mali.

Since then, the Chinese commitment to peacekeeping has only grown, with an increased economic and logistic support, from providing to 3% of total financial contributions to the UN Peacekeeping budget, the current contribution is of 10.25% of the total. The peacekeeping active efforts represent a shift in Chinese external policy, that only increased with the opening of the first Chinese overseas naval base on the 1st August 2017 in Djibouti, aimed at safeguarding Beijing interest in the area and improving its role in the continent, representing also a clear message of commitment to the continent. Another reason behind such action is that Chinese political leadership and economists believe that by providing stable peaceful conditions, the trade volume would grow consequently favoring also economic growth.

Security and stability are in fact essentials to maintain a state’s condition profitable for business and investments. This is the other reason that could have motivated China’s push to invested in peacekeeping efforts -if one wants to interpret those actions on a more pragmatic way, with a less humanitarian and more practical lens.

Given the current scenario that unveils on the soil, is possible to see that China appears engaged in the country boasting a solid presence. Recurring back to the research questions that guided the thesis, is possible here to use the empirical finding to try and answer the quest: How deeply has Beijing presence and intervention affected Djibouti through the years?

To provide a better framework of the evolution it can be applied the theory on the model of China interaction -by Irene Yuan Sun, Kartik Jayaram, Omid Kassiri; following this guideline in fact is possible to unveil the development -in a more inclusive way-of the Sino-Djiboutian relations. Recalling the fourth scenarios addressed in the model (robust partners, solid partners, unbalanced partners and nascent partners) it can be stated that Djibouti fits under the second kind of partnership. In fact, Djibouti could be considered a “solid partner” respect China, especially given the amounts of

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investments the state has allocated towards Djibouti, that has received and benefitted from such income passively.

Recently, given the up-to-date developments from the Djiboutian government nationalizing the Doraleh port and the closer interactions between the two parties, Djibouti might also begin to strive for a better partnership, a “robust” one. Indeed, as previously mentioned, the two States have recently celebrated the anniversary of 40 years of partnership, such goal has been publicly praised by both leaders. From its part China’s president Xi Jinping, within his message, apart from congratulating the anniversary, recalled also the visit to Beijing from the Djibouti’s President Guelleh in November 2017. The choice of underlining the event in the same message of the anniversary is a direct tribute to the importance of the partnership, that was officially classified as ‘strategic’ precisely in Beijing on that occasion.

Moreover, another significant event that appear in support such of a stronger and improved level of partnership is provided by the visit that the Djiboutian President, in November 2017, fulfilled as the first African head of State to visit China right after the meeting of the 19th National Congress of the Communist Party of China (CPC), held the previous month; another significant remark of the importance of the two State’s relations. The growing bond between the parties appears as the joint result from Xi and Guelleh administration; this last one publicly acknowledged its seek to pursue more inclusive relations with the Beijing (choice that appears reciprocated): “Les Chinois sont par ailleurs les seuls à investir chez nous dans tous les domaines : chemin de fer, ports, banques, parcs industriels, etc. […] La réalité est que personne d’autre que les Chinois n’offre un partenariat à long terme à Djibouti.”

3.2. Chinese investments and penetration in Djibouti: changes in partnership

Within this paragraph, the stress would be on the changes produced in the commercial and logistic sectors, to present empirical findings able to answer the second research question: Can the Sino-Djiboutian partnership classify as win-win cooperation for mutual development or is

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unbalanced? This point would be discussed reasoning on the nature and the dynamics of such partnership, applying the framework provided by the liberal mindset.

To do so, however, before moving directly to the changes Beijing produced within Djibouti economy, a brief mention would be addressed on the effect the partnership produced in the social sphere; that appears also to have been affected by Beijing growing presence. The State social tissue appears in fact, weakened under human investments; registering a slower growth despite Chinese investments in job creation. This is caused from the fact that the easier, cheaper and quickest option for China (and the path it uses) is to simply bring the already formed skilled worker needed directly from its motherland. The poor regard for human rights, equal and sustainable development are some of the critiques moved by the international community towards the actor’s methods.

Then, by focusing specifically on the logistic sphere it is possible to verify some change in trends (see table 3 below). Indeed, Djibouti as of 2018 in the Global Logistic Performance Index-LPI, places at the 90th place (out of 160), following the path of China that is placed as 26th. This trend registered an improvement from the previous trend, previously of the start of the Belt and Road Initiative; indeed, as of 2012 (the year before the launch of the policy), China was placed 26th while Djibouti was placed as 154th. While the situation soon after the start of the policy remained equal (Djibouti placed in the Global LPI rank the same as 2012 -154th), in 2016 there were already visible some changes of improvement with Djibouti improving and placing in the 134th place.89

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>LPI Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>2018</td>
<td>26</td>
</tr>
<tr>
<td>Djibouti</td>
<td>2018</td>
<td>90</td>
</tr>
<tr>
<td>China</td>
<td>2012</td>
<td>26</td>
</tr>
<tr>
<td>Djibouti</td>
<td>2012</td>
<td>154</td>
</tr>
</tbody>
</table>

3. Time changes 2012-2018 comparison in LPI index China- Djibouti

This data collected from the World Bank help to present a situation that shows how Djibouti benefitted from Beijing partnership and presence in its port, reflecting the positive growth of its logistic sector and capabilities compared to the global trends.

Then, by focusing on the commercial aspect is possible to see the situation has improved with Djibouti reaching a higher rank also in the Doing Business report, undergoing a big development and improvement from its 154° place in 2018 to the 99° in 2019; such step forward has allowed the State to be addressed as one of the leading countries of the sub-Saharan Africa (see image 4).

4. Ranking on Doing Business: Djibouti 2019
Source: Doing Business 2019

The fact that the commercial sphere of Djibouti holds great potential for China is visible from the fact that China Merchants Ports (one of the largest concessionaires of marine terminals in China) holds part (the 23.5 percent) of the stake in Port de Djibouti SA, bought back in 2013 – the same year of the launch of the BRI policy.

Further strengthening of the commercial bond between Djibouti and China came as result of new treaties, signed under the new ‘strategic’ partnership; the agreements aimed at further strengthen the all-round cooperation in place.

The mentioned features presented by Djibouti (e.g. poor human right and social growth compared to the commercial and logistic -economic- improvements), reflects the trend of Beijing modus operandi, openly and widely criticized by the international scholar community. Especially in the framework of the BRI policy; whose modus operandi is based mainly in form of foreign investments in large-scale infrastructure projects. These are often paired with conspicuous loans aimed to governments that could not sustain such high costs. The aim of this performance is to enlarge China’ sphere of influence despite the coasts, gaining new allies while at the same time promoting

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91 [https://www.beltandroad.news/2019/05/01/china-merchants-rejiggers-debt-for-djibouti/](https://www.beltandroad.news/2019/05/01/china-merchants-rejiggers-debt-for-djibouti/); Accessed 06/05/2019.

it soft power abroad by connecting back to Europe and Africa, with the ultimate effort of making China a regional superpower in the Asian region.

The sectorial trend of Djibouti reflects the macro ones ongoing in the region, that is the cooperation and partnership between the two regions are uneven and unbalance. The topic is indeed a key focus of many scholars’ debates that argue about the lack of an equal turnover for Africa. In fact, the growing degree of cooperation between China and the African States does not match an equal growth, with Chinese economy progressing rapidly and African States ranking behind. While Chinese economy is developing piggybacking on the back of African resources, raw material and markets (the African markets are ideal to place the wide surplus production of Chinese manufactured goods), the other part (the African States) does not seem to be benefiting equally from the cooperation, risking instead to develop a dependence from it.

By falling back to the case of Djibouti it is possible to see that the actions Beijing undertook were aimed at developing a closer bond, and as the empirical finding show, along with the character of the relationship, it has changed also the dimension of power and the policy choices implemented.

Recalling the theoretical framework provided by Nye, it is possible to see the different shades and manifestation of power from Beijing’ part. Moreover, recalling Nye definition of soft and hard power it can be unveil the (lack of) balance between the parties. Indeed, if there are hard power relations between the parties the nature of the mutual -win-win- cooperation is no longer possible. Indeed, the feature of coercion should not be present in a mutual cooperation as the party are supposed to be equals, rather than having a relation where one party has the upper hand or is able to enforce pressure on the other.

To reason on the types of power dynamics between China and Djibouti, it should be first targeted if there are soft or hard power policies implemented in the soil.

Focusing first on soft power, to best describe the influence Beijing might project on the little African State an example could be presented from the rhetoric used. Within this sphere it must be acknowledge the attempt China makes to readdress positively the narrative in support of cooperation, win-win partnership, based on the need to pursue its own gain and agenda rather than a way to recreate mutual development. It emerges thus, the framework of the successful exertion of soft power tactics; a single party persuading the many that they ultimately share an aligned objective, that instead was initially just the one of the single parties. The first feature to assess within this framework is how the Belt and Road Initiative contributed in developing the importance of Djibouti in China’s agenda; leading to the State’s nomenclature as ‘strategic partner’.

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This rhetorical aspect has also met a more practical one, with the development of special economic preferential treatments. Moreover, to strengthen the positive image of China in the soil another tool that the BRI policy sponsored was the creation of Confucius institutes. These institutions are basically bound to present a pro-China image on the soil and to push the cooperation narrative between the parties. Confucius institutes in fact, foster cultural exchanges supporting local African students and workers in training courses and traineeship abroad (in China). This constitutes for China in a double gain, an increase on the degree of influence that the Asian culture has on the African soils and on the number of African workers that experience their training in China.

In the case of Djibouti, however, does not figure any Confucius institute yet.\(^93\) This could speak to the policy choices China is targeting for the state: given the weakness of Djibouti’s economy, the best way to gain influence it appears to be trough economy.

Indeed, presenting the definition of ‘hard power’ as a form of coercion implemented by a foreign actor, in Djibouti the most visible proof of that could be found in the economic sphere. Djibouti economy given its high degree of reliance for foreign investors has found itself in a current sensitive situation where the majority of its public debt is sustained by a third country; this situation presents a dangerous risk of developing new form of dependence economically but most dangerously politically.

This fear, expressed by the International community, appears to be concretizing in the State as currently Djibouti is facing a situation of debt distress. This situation comes as the natural results from contracting and relying (too) highly on the conspicuous loans, without clauses and with deeply favorable tax of interest- that Beijing was sponsoring to the partner. As of today, indeed, it appears confirmed -comparing several data provided from different international agency- the trend of Djibouti over accumulating rapidly the amount of its debt; fate the State shares with few others (little or relatively small) African States.

According to the UNCTAD analysis, among the one reporting a rise in foreign and domestic debt, besides Djibouti, figure at debt risk there are also Burundi, Central Africa Republic, Chad, Ghana, Mauritania and Sao Tome e Principe.\(^94\) According to the IMF- International Monetary Fund-director for the African department, Abebe Aemro Séllassié, several African economies figure as the most fragile and at risk for debt- distress, among them “35 pays à faible revenu de la région, 15 sont

\(^93\) [http://english.hanban.org/node_10971.htm](http://english.hanban.org/node_10971.htm) : Accessed 17/05/2019.

aujourd’hui en surendettement ou risquent fortement de le devenir”. Furthermore, the agency’s report dated May 2018, underlined how several low-income countries are dangerously depended from China’s aid in the matter that China owns significant portions of their public debt, e.g. the case of Kenya-China holds 55% of its external debt - and Cameroon-China holds 70% of its bilateral public debt. According to the Center for Global Development, the states most affected by such problematic are thus, the small dimension one, that can be considered ‘poorer’ respect their own regional neighbors, such States share also a high degree of reliance from China’s credit loans, specifically in the framework of the BRI initiative (see table 5 below).

Following the same reasoning provided by UNCTAD experts, in order to determine whether a country is facing a situation of debt distress a comparison should made between the amount of GDP and the total amount of the debt; this last one should never be equal or above the 80% of the state’s GDP. Currently - as of 2018 - Djibouti has built up an external debt equal to the 85% of its GDP; this comes as a result of the importance amount of foreign investments made in the state’s infrastructure system -that in just two years help boosting the external debit from 50% to the current level.

Thus, the current data classifies Djibouti a state at risk of debt distress.

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As shown by the empirical findings, it appears that can be traced hard power dynamics in the partnership. This supports the argument that the Sino-Djiboutian partnership is unbalanced.

Concluding thus, when trying to answer the initial research question ‘The partnership can classify as win-win cooperation and for mutual development or is unbalanced?’’, it appears that the narrative proposed from Beijing did not led to mutual benefits, on the contrary the tip of the scale appears to be in China’s favor.

Furthermore, the unequal outcomes from the partnership have led to the emersion of the debate on whether China could be classified as a new neo-colonial power; there is a debate on such statement that is evolving continuously, consequently to the development of Beijing’s foreign policy actions. In this optic it unveils the characterization of power as ‘sharp’. The dynamic nature of the topic makes it hard to prove such categorization but there can be made assumption and interpretation basing on the closeness trend of the partnership. This argument would be further deepened in the next section, comparing the notion of smart, sharp power to the model inherent of the kinds of China’s interactions.

3.3. Reflecting on theoretical frame

Within this part of the work, the focus that will be discussed in trying to answer the third and last research question is: Did the Sino-Djiboutian partnership undergo some changes from the initial phase? To answer such question, the argument would benefit from the theoretical framework mentioned by applying jointly both the methods presented (the model of China’s interaction and the
different dimensions of power described). Additionally, the thesis would cover the emerging debate on ‘sharp power’.

Retracing the analysis to theoretical framework presented in the beginning will be functional to see how from the sectorial case study there are some trend that overflow from the national towards the supranational sphere. In fact, by recalling the theories mentioned in the first chapter, it is possible to reason on new useful insights from the Djiboutian situation to speculate the future trend of such partnership and the future trend of China’s foreign policy.

A first mention is needed in order to re-address the importance that Geopolitics holds towards the case of study of Djibouti but also towards China itself. In fact, the geostrategic mindset represents the file rouge to understand the BRI policy and the importance of Djibouti – along with the small State theory. The geographic sphere merged with the economic and political sphere are at the core of understanding Beijing agenda and the choices dictated in such efforts. Within this framework, it also emerges the important role played by the commercial and logistic sectors as these represent the main addressee of the policy -focused on re-creating the old silk route that drove (and still drives) China expanding its influence worldwide.

These efforts and the outcomes from it are visible in the national sphere of the case study, thanks to the model of China interaction mentioned in the previous part, unveiling the change of model- towards closeness- occurred within the State. As a matter of fact, Djibouti establishment as today appears highly engaged and determined in pursuing even further inclusive relations with the Asian giant, relations that have gone beyond the mere commercial sphere, permeating all sectors of the State.

This trend should then be compared in order to fully comprehend the changes produced by the initial relations, with the power dynamics in place on the soil. Thus, it should be addressed if there are existences of soft power, hard power but also smart and sharp power dynamics.

Starting by recalling Nye’s power definitions, a brief mention of the mindset must be added. These theories in fact, are born out of a neo-liberalism mindset; where there is a shared belief that the economical actors acting in the international sphere have almost the same influence as the national ones. This development has been made possible from the plurality of non-national actors present in the international sphere that allowed for economy to rise to the level of politics; this mindset in fact, tends to depict the international community as a web in which the States are interconnected to each other. Within this view, Nye puts the main focus on the cooperation, sustaining a mindset of liberalism.
based on the State structure and where interrelations between States tended to focus (and result) on the cooperation rather than conflicts.

Given the stress of the thesis puts on the economic interactions and the degree of its importance holds within the Sino-Djiboutian partnership, the definitions of ‘power’ can be applied to the partnership, deeply rooted in the narrative of mutual benefit and win-win cooperation. By recalling this specific case study, the sphere of soft power and hard power are visible in the shades and the degree of permeation that China reached within the Djiboutian State system.

Adding to the previous features mentioned under soft power implementation in Djibouti, a further brief mention should be address to the degree of success Beijing obtained in influencing the internal narrative of Djibouti. In fact, even without the presence of a Confucius Institute to readdress the narrative, Beijing succeeded in projecting its positive image within the State’s border. This is visible on the national Djiboutian media that support positively to the partnership and to the Chinese’s presence generally; in contrast to the international critiques towards China.

In fact, even if the foreign community’s point of view sustained that the strong connection Djibouti has developed with China appears strict and risky, but from the Djiboutian media’s perspective emerges a vision of such partnership praised under a positive light, as a way of the State to balance the internal pressing U.S. influence. According to public statements from the Djiboutian Minister of Foreign Affairs, Mahmoud Ali Youssouf: “Les relations de partenariat stratégique tissées par Djibouti avec la Chine sont exemptes de toute suspicion. [...] Le gouvernement entretient des relations équilibrées avec tous ses partenaires.”

Then, regarding to the hard power dimension, adding to the critic situation of debt distress mentioned, it must be stated that the problem has been addressed both from Djibouti establishment and also from China’s perspective.

In fact, the Djibouti government has pursued some efforts in improving and safeguarding its economy by creating a plan to produce sustainable fiscal and structural reform. This path is functional for the State’s sustainability as it would help the State in gaining more credibility in the eye of International Community. The strategy that should be adopted to support debt recovery is a

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sustainable one, with public laws supporting the change; e.g. by anchoring level of explicit debt with the creation of public debt-to-GDP ratio.

Consequently, Djibouti establishment appears willing to address the problematic with the inauguration of the ‘Vision Djibouti 2035’; a policy that aims at stabilizing the economy and reduce the gap between foreign direct investment and local growth (see table 6 below). Another objective the State’s economy is trying to develop towards the promotion of local individuals’ activities and the creation of small and medium enterprises to emerge and concur in the local growth. The efforts promoted by the government appear to be receiving the first positive outcomes as, according to the report of Doing Business 2019\(^{100}\), Djibouti figures as one of the main relevant growing economies. This fact is not only reflecting the success of the new economic policies, but also reflects an ideal view in the future of the State’s capacity to fight and overcome inequalities and the lack of diversification.

<table>
<thead>
<tr>
<th>Vision Djibouti 2035</th>
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<tbody>
<tr>
<td>five core pillars:</td>
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<tr>
<td>Economic objectives:</td>
</tr>
<tr>
<td>1) Peace and national unity</td>
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<tr>
<td>2) Good governance</td>
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<tr>
<td>3) A diversified economy</td>
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<tr>
<td>4) Investing in human capital</td>
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<td>5) Regional integration</td>
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Thus, the State appears to tackle the problem of debt distress by pursuing the line of a more sustainable economic development. To discuss the results of the challenge is premature, the question is on whether these results would be achieved and will be enough to contrast the part of investments from foreign firms. The question of sustainable development indeed lies on the capacities of the economy to develop its sectors without continuing to pursue ‘dependency’ from foreign aid. The next period would be crucial to understand if the State would deepen its condition of debt distress or starts readdressing the problem.

From its part instead, Beijing also appears to be keen in addressing the problematic of debt distress, as it did publicly at the 2018 FOCAC Summit held in Beijing, linking it with the accusation, being made at its current foreign policy, of implementing the so-called ‘debt-trap diplomacy’. Furthermore, China has announced an additional provision of funds - divided among government grants for $ 15 billion, interest-free loans for $ 15 billion, credit lines for $ 20 billion and financing imports for $ 5 billion – to the BRI countries and to BRI projects (mainly targeted at the construction of roads, bridges and sea ports, energy, and human capacity development). This is particularly important for Djibouti as it is the potential addressee of high amount of such sums, given its strategic importance within the BRI policy.

Another feature that might fit under the hard power dimension is the presence of China military representation on the soil. However, given in the theoretical framework is also presenting the notion of Smart power (considered as how smart and hard power merge tighter to accomplish the State’s objectives), the thesis argues that this concept represents the best fit to understand the logic behind the choice of allocating in such State Beijing first foreign military representation.

The first thing that emerges in fact, when looking at the location chosen to create such base is the proximity of it to be the closest as possible to one of the main ports of the State (Doraleh Multipurpose Port), creating a connection between the newly established Chinese military base and the commercial sphere (see image 7).

![Diagram of Playground of the superpowers: The foreign bases in Djibouti](image)

7. Foreign military bases in Djibouti

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In fact, Djibouti’s strategic position and its ability to serve as a trade hub is one of the main features that China values. This proximity might be interpreted as a sign that shows the connection between the willingness of Beijing to have military representation and the need to protect the commercial interest; “The proximity between port and base reflects the integration of Chinese commercial and military interests as part of a strategy to project power abroad, even while Beijing maintains the guise of noninterference.”\textsuperscript{102} Indeed, the military presence could also be sponsored as a safety blanket for the Chinese firm investing on the soil; “through the implementation of this enhanced role in security, the Chinese have had to engage in closer bilateral military and diplomatic ties, which often overlap with commercial concerns in ways that deepen China’s exposure to political risks”\textsuperscript{103} Furthermore, Djiboutian security benefits from China’s aid in military logistics, allowing the state to take an active role in the fight for security of the region.\textsuperscript{104}

At last mention might be addressed to the narrative of sharp power in relation to the case of Djibouti, despite that in the definition of such dimension is intrinsic the juxtaposition between an authoritarian regime that weakens the democratic regime opponent. According to the authors in fact, the authoritarian regime aims at boasting its own sphere of influence regardless the impact on the level of democracy on the soil might have. Moreover, sharp power tactics do not necessarily include coercion, as the ‘sharp’ action can be traced back simply to a manipulation in the media narrative or in the omission of some parts of history.

As mentioned on the thesis, it appears that in Djibouti the already low level of democratic value registered a further lowering that could be tied back to the aggressive economic policies that China implemented in the soil.

Preluding that the thesis does not aim at resolving the debate on sharp power or to make any bold assessment on the topic, from the empirical findings it can be traced an example of Sharp power that targets the national but also the international dimensions in the shape of the Belt and Road


\textsuperscript{103} Chris Alden, Abiodun Alao, Zhang Chun, Laura Barber (eds.) - China and Africa, Building Peace and Security Cooperation on the Continent, Palgrave Macmillan, 2018, p.59

\textsuperscript{104} Paul Pryce, China’s African Engagement: Advancing Multilateralism, China Institute of International Studies, 15/02/2015. Available at: http://www.ciis.org.cn/english/2015-02/15/content_7696818.htm; Accessed 09/12/2018.
Initiative. The policy in fact, represents the main engine of China socio-economic influence expansion to the degree that the policy has been added to the same constitution of China itself. This development -to strengthen and ensure a future reproduction of the policy- reflects consequently also on Djibouti as the State within the BRI framework has been addressed as one of the key allies. This development indeed could boast even further relations between the two parties, ensuring a direct line and a committed effort by China to support the little African State- ultimately for the sake of its own interest.

Consequently, the future of the policy is linked at the very core of China’s one, reinforcing the degree of popularity of the BRI along with the improvement registered in economic terms. The prospect for the future indeed is a scenario where China could replace the hegemonic role played by the US in the sphere of economy and influence - as the growing Consensus that China is achieving does not seem to stop any time soon.

Another remark that must be done when focusing on the success of the current foreign policy, is to address the positive trend as the result from a steady and continuous line in the leadership and policy. The current Chinese President - Xi Jinping- has recently been reconfirmed at the leadership of the Chinese Communist Party -along with the mentioned success in inserting the BRI policy within the party constitution. However, it must be said that the constitution of the party is flexible so that it is more prone to changes compare to the fixed ones, but still, such assimilation has a deep importance and strategic meaning. By adding the policy within the constitution indeed tends to strengthen it and assure its reproduction in posterity. The amendment to the constitution regarded the policy of the BRI as part of the wider frame reflecting Xi Jinping view about internal and foreign policy but also history and military. The wider frame that included the policy was addressed as “Xi Jinping Thought of Socialism with Chinese Characteristics in the New Era”. The inclusion represents an important historic landmark and without doubt a big achievement, the ‘honor’ of being assimilated into the party’s constitution was only achieved by two other famous Chinese leaders: Mao Zedong and Deng


Xiaoping. Although in Xi Jinping’s case the event is far more impressing as he has achieved such recognition while still in office.\textsuperscript{107}

If China will continue this steady trend, many speculations foresee that from second largest economy, it is destined to move to be number one, reproducing of a major shift in global trends.

In conclusion, it appears that in trying to answer whether the Sino-Djiboutian partnership underwent some changes from the initial phase or not, both methods must be considered in order to retrace the trend of China in gaining a firmer grip towards Djibouti. In fact, under both dimensions - the nature and the kind of partnership- the framework appears to be able to display the changes produced by the power dynamics, the ability of reproducing the influence and pressure between the parties. Moreover, the relations among the parties has also improved, thanks to the development of specific policies that the parties produced specifically from one to another; confirming their bond as ‘robust’.

3.4 What holds the future?

From the situation and the trend reconstructed in the previous sections is possible to state that the relationship between the Asian giant and Djibouti appears in good term, sponsored and determined to grow even more. There are in fact, currently ongoing several projects that could represent key steps towards an even more tight relation.

To start from the commercial sphere, to sustain such statement it can be used the example of the arrangement, stipulated at the beginning of 2018, that the two countries reached verting the construction of a free trade zone in the area, that would be built by Beijing with a budget of $3.5 billion. This represents a gain for Djibouti both in commercial terms and social as it would prove as a good opportunity to boost the economy of the state and create employment. The infrastructure is to be jointly operated by the Djiboutian Port’s Authority and the Free Zones one with China’s Merchants Holdings company. This step comes as the further result of the agreement signed back in 2016, that are included in the wider picture of the Chinese foreign policy BRI.\textsuperscript{108}


presented by President Guelleh as the ‘future of the continent, the biggest free trade zone of whole Africa.’

Djiboutian establishment appears each time more successful in the effort of presenting the State as the ideal hub to connect China and Europe. The project, far from achieved yet, is meant to be further enlarge to over 4 800 hectares in the next 10 years; a quite impressive prospect that will indeed make it the biggest free trade zone of the whole continent. The deadline for this project is set to 2028 and the amount of investments steered into it, is of 3.5 milliards of dollars, are mainly financed by Chinese’s firms. According to international economic actors, this project could represent a ‘springboard’ to industrialize Djiboutian economy, that is currently strongly dependent from foreign investment and commerce.

The prospects for the future thus, see Beijing still focused on the area and invested in the State thanks to the national condition but also international factors. Indeed, Djibouti holds a favorable position to oversee and act upon fighting the war on piracy; the issue represents also a primary concern for the State, focused on improving its trading ambition. The sensitive nature of such problem enables it to trespass onto the supranational dimension, affecting the whole trade of the region and especially the shipping going through the costs of Somalia.

Another international factor that shed new light and interest to the little State was the 9/11 attack. Indeed, even if Djibouti boasts an historical ‘heritage’ of military hub (having been addressed as such during the Cold War), new interest sparked as consequences of the mentioned attack and the so-called war on terror that contributed in foreign actor seeking to keep a military presence on its soils for security purposes. Nowadays Djibouti is chosen as ‘neutral ground’ to host many international militaries basis (such as U.S. - only permanent base in the continent “Camp Lemonnier” hosting the AFRICOM-United States Africa Command, France, Italy, Japan and

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110 Olivier Caslin, 10 July 2018, loc. Cit.
111 Redie Beraketeab, loc. cit.
112 The base hosts the military representation from the US and is one of the main revenues of the state. The base has key importance for the US as Djibouti closeness to the Arabic Peninsula is considered strategic for the so-called “war on terror”; indeed, the US address more aid to the Djiboutian state than any other African State. See: Jennifer N. Brass, David K. Leonard, loc. cit.
113 The body purpose is to exercise multilateral and military-to-military engagements from US part addressing all African countries in order to strengthen their relations and insure defense and security against any menaces to the area’s integrity. The reasoning behind the “peacekeeping effort” is the execution of “military operations to disrupt, degrade and neutralize violent extremist organizations that present a transnational threat.” According to Gen. Waldhauser, the commander of the AFRICOM “The United States is a long-term partner of Djibouti, of the government, and of the people [...] as long-term partners, we want to see Djibouti, and the Djiboutian people, prosper and thrive.” See: Air Force Maj. Karl Wiest,
more recently China); “Djibouti now acts as the principal logistical hub for US and allied operations in East Africa and the Arabian Peninsula.”\footnote{David Styan, loc cit.} The wide presence of military bases on the territory marks Djibouti as “an international maritime and military laboratory where new forms of cooperation are being developed”.\footnote{Ibid., p.1.}

Given that international actors have joined their actions in the fight against such problem, renewed interest was brought by the international community on the little State of Djibouti and the range of the maritime operations carried out from the Djibouti’s ports have increased in the last decade consequently of the rising emergence of piracy.

The possibility to host a foreign military representation could also be presented as an ‘insurance policy’ for the investments in the State and in the region; under such view, having one’s own representation could be a ‘bonus’ to both the foreign investors and the Djiboutian State itself, that would be capable of supporting its international recognition and reassure the international actors investing in the soil, but it would also represent a sort of ‘safety blanket’ for the foreign investors.

Djibouti in fact could represent a starting point for a foreign State to implement a policy effort aimed at enlarging its own sphere of influence; by having a military presence on the soil, the foreign power could go beyond the merely act of safeguarding its own interest, to address and boost its own range of influence and agenda on the rest of the neighbors countries, and African continent as a whole. Thus, the military presence on Djibouti’s territory has a direct double benefit for the country: it constitutes a security presence but foremost a gain in economic term; Djibouti economy is dependent and relies heavily on external support to meet the condition for security and survival.

However, as mentioned another crucial debate tied to Beijing military representation on the soil lies on the future possibility for conflict that could emerge in a direct local confrontation between the Chinese military base and the US’s. By focusing on the case study of Djibouti is possible to unveil how the current hegemony not only has been monitoring China’s penetration but also moving some critics about it. China indeed appears to have achieved positive results in growth of influence since Djibouti appears to have successfully transited under its sphere of influence; transition that led to openly voiced critiques.

Djibouti in fact, could play a crucial role as hosts both States’ military representation and despite the situation appears calm, there have been in the past seen some controversy rise in the past years about the two actors on some incident during the training of their forces. Thus, the fear voiced by some scholars lies from the fact that the little power game played within Djibouti borders may be assimilated in the bigger challenges ongoing between the two States: “The concatenation of foreign military bases in Djibouti and the Chinese plans that became more imminent because of President Trump’s trade war with China is bringing the experts to consider this tiny country as an “Ignition point” that can create a small incident that might escalate.”

Moreover, another key to the puzzle that must be address are the potential development from the current situation of debt distress; such problematic holds crucial importance in function to speculate the future perspective of Djibouti. Indeed, an eventual further-gone debt distress scenario could have potential repercussion on the political and economic stability of the country itself and even end up posing a question to its sovereignty. It is possible to argue, given Djibouti’s reliance on the aid from the Asian partner that by funding its debt, China is practically buying the loyalty of the African State, statement that could be widen to all the other states mentioned above.

A wider question might be posed, “of whether developing countries are naively mortgaging their resources and strategic assets to China”; this query is particularly sensitive to Djibouti future especially if taken in consideration the repercussion it might have on its external narrative.

To prosper and reach its international hub ambition, Djibouti needs to maintain its credibility; the actor needs to be considered ‘neutral ground’ to appeal not merely as a destination for military bases but also for commercial investments.

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Concluding it is possible to say from the dynamic mentioned that, if at the beginning the partnership between Beijing and Djibouti was purely on commercial and logistic, as of today the initial sphere appears exceeded. It is in fact, possible to recognize an important Chinese presence in the State economy and the latent influence that is permeating the social tissue, with the local government and establishment having a positive image of China and its culture.

Although the partnership appears different from the mutual cooperation sponsored within the Belt and Road Initiative narrative, given that the current situation that is presenting sees one State (Djibouti) developing a dependency path towards the other (China); the economic coercion China is able to exercise towards the little African State appears to go beyond the mere support for development.
Conclusion

The purpose of the thesis is to provide new insights on the ongoing phenomenon and to explore the degree of variety on the choices of China’s foreign policy. To do so, the focus is restricted to a sectorial location that holds strategic values: Djibouti. The State, due to its geographic position, political stability and neo-liberal economy, presented some features that made it appealing towards the Asian giant, seeking new allies to implement its influence along the Belt and Road commercial route.

Djibouti has not only an important role as commercial and logistic hub, also plays an important role in the military sphere as it has a number of foreign military bases on the soil; representing a springboard for third parties to spread its influence in both the economic and social sphere (the role of security provider). Precisely under the last viewpoint of Djibouti case, as mentioned in the first chapter, represents an archetypical case. Indeed, when it comes to the role of military hub the State plays, cautious attention should be addressed to the potential development that could produce within its soil increases its bond and dependence with Beijing.

As the case study reports, the influence of China penetration within Djibouti is proceeding, permeating slowly the social and cultural areas rather than merely only the economic ones.

As discussed, it is possible to see a pattern in the changes produced within the partnership; from the initial stage for economic purposes (for commercial and logistic alliances basically), it was registered a development as both States started to address each other with more awareness about the possibility of what could be further developed from the partnership. Indeed, the relations started to shift from merely the economic sphere to the political one, and one party started to gain the upper hand in such relation. This dynamic is visible by applying both methods provided in the theoretical part to see the characteristic and the power dynamics developing within the duration of the partnership. The theoretical package provided was also functional to answer the research question, in fact, each theory mentioned could be applied to the scenario of study case and helped presenting one aspect of the findings.

To discuss whether the Sino-Djiboutian partnership experienced some changes or not, it used the guide models of China’s interaction conceived by Irene Yuan Sun, Kartik Jayaram, Omid Kassiri. By applying the categorization of the different stages, towards closeness, of China’s cooperation to the scenario of the study case, was possible to unveil that the partnership has evolved and strengthen throughout the past 40 years.
Then, to comprehend the power dynamics that China’s foreign policy addresses towards Djibouti, whether there was an aggressive, coercive element or not; the theoretical framework produced by Nye -Soft/smart/hard power- in comparison with the newly formulated notion of Sharp power was useful. By applying such framework as guideline to discuss the empirical findings, was possible to answer the question about whether the cooperation active between the parties was mutual or resulting instead in an unbalanced one. Ultimately, a joint reflection on both methods mentioned was functional to understand better the changes produced as the result of the partnership in Djibouti soil.

Questioning the findings, it might be said that a as perfect picture would have not been provided if applied different choices in methods and restrictions. Indeed, the choice of the qualitative method proved functional in analyzing profoundly the scenario of Djibouti, taking into account the influence and changes produced by the closeness with China. Using a qualitative rather than quantitative perspective allowed to present a more detailed picture rather than wider one, avoiding that the study remained superficial, barely scratching the surface of the topic.

The restrictions applied, on the geographical and economic aspects were aimed at avoiding excessive generalizations; instead, the thesis develops targeting few points -as with the commercial and logistic sectors- that are able to show the degree of involvement and development of China’s effort. Moreover, the restriction on Djibouti, based on geopolitics, presented a support to the current debate of the Sino-African relations, providing new material to use for discussing the mainstream trends but also new inputs to reason on a scenario that tends to be left aside compared to the regional one.

The theoretical framework used, leaning towards a liberal mindset allowed to address more efficiently the relations between the economic and political aspects, within the State and the policies implemented. Instead, if the focus would have been on a realist mindset, the power dynamics, the State’s seek for power and the ambition to prevail on the international sphere would have been key guideline dominating the thesis, shifting the attention from the economic dimension -that instead is functional to explain and examine the dynamics of the change in the Sino-Djiboutian relations.

The trend emerged from the analysis on the Djiboutian case, reflects also on the global scenario where Beijing, (thanks to the Confucius Institutes), succeeded in solidified the Chinese presence on soil, strengthening the role of the Chinese communities located on the soils, while at the same time, the role of Chinese’ firms and companies acting and financing new branch offices and projects. These institutes represent a policy of the bigger Belt and Road Initiative, a foreign policy
that addresses China’s positive image to Djibouti. Thus, it is likely that further additional focus would be addressed to the Djibouti State, following the path of investments on trade and infrastructures. Nevertheless, in the State, there are already in place several projects with China at the current moment, e.g. the mentioned project to develop free trade agreement, free trade zones, improvement to the ports and infrastructures.

Still, the main obstacle to the future good relations of the parties - and a problem that should be kept monitored closely - might be represented by the phenomenon of ‘debt trap’. As mentioned, the problem is particularly crucial when it comes to Djibouti’s case, as it is already manifesting. A focus on such note should be provided to avoid the creation of dependency paths.

The problematic described, however, is not only a peculiarity of Djibouti case, but also has been registered in other countries where the economic approach ‘no string attached’ that Beijing implemented has produced poor improvements. In fact, the international community has critiqued the policy choices implemented by China, accusing the actor of pursuing and implementing a neo-colonial method. Within this debate, the finding on the case study of Djibouti could provide a new insight on such controversy, as the thesis does not aim at solving it.

Moreover, Djibouti is prospected to gain a new geostrategic importance in Beijing’s agenda and in the international community, following the problematic of its debt but mainly due to the potential development from its role of security hub. In fact, within its soil, the country hosts several foreign military representations, among the many figure also the US and China. Concerns have been expressed by the international community on whether this cohabitation of both military basis in such proximity might spark new hostilities between the two main superpowers, as they are already engaged in a sensitive standoff in the commercial sphere. Indeed, as above mentioned, the two actors have been subjects to some confrontation on the soil, risen from military incidents occurred between the two superpowers during training. Although these episodes never developed into something more serious, given the international critiques emerged towards Beijing, the international attention is focusing on the new attention to the topic, given its sensible features.

Ultimately, the study on Djibouti is functional to discuss wider and global trend such as: how China is successfully emerging as new superpower and providing insights on the global developing scenario. Instead, when it comes to discuss the future of the Sino-Djiboutian relation and the future of Djibouti itself, the main future challenge for the African State is on its credibility and sustainability. Djibouti, in order to preserve its geostrategic characteristics, must avoid the dependency pattern
otherwise it risks losing its international appeal and ends up becoming a mere Beijing’s periphery or Beijing’s logistic key point.
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