

# Department of Political Sciences

# Master's Degree in International Relations Major in Security

# CHINA'S PRESENCE IN THE HORN OF AFRICA

\_\_\_\_\_\_

# **CHAIR OF CHINESE STUDIES**

Prof. Silvia Menegazzi	Prof. Mohammed Hasha	
LUISS Supervisor	Co-Supervisor	

**Esther Duale** 

**Candidate** 

ID No. 648722

Academic Year 2022/2023

Table of Contents	
Abstract	p.
Acronyms and Abbreviations	p.
Introduction	p.
1. Aims of the thesis	p.
2. Background	p.
3. Purpose	p.
4. Structure and Overview	p
5. Significance	p.
I. 1. The Role of the Global South and specifically the Horn of Africa in China's expanding influence I. 2. The Concept of the Global South in a Chinese Context I. 3. China's Interests in the Global South I. 4. China in the Horn of Africa I. 5. China-Africa Relations I. 6. Economics Impacts	p. p. p. p. p.
I. 7. Political and Social Ramifications	p
I. 8. Environmental Considerations	p
Chapter II - China's Strategic Interests in The Horn of Africa	p
II. 1. The Horn of Africa in Terms of Geopolitics	p
II. 2. Economic Opportunities in the Region	p
II. 3. Strategic Importance of the Growing Population	p
II. 4. China's Diplomatic and Military Expansion	p
II. 5. Projection of Power and Influence	p
II. 6. Role in Regional Politics	p
II. 7. Influence Beyond Governmental Stability	p
II. 8. Strategic Interests and Actions in Somalia	р

Chapter III - Impact of China's Presence in the Horn of Africa	
III. 1. China's Economic Impact in the Horn of Africa	p.81
III. 2. China's Geopolitical Impact in the Horn of Africa	p.87
III. 3. Implications of China's Economic and Geopolitical Impact	-
in the Horn of Africa	p.92
III. 4. The Implications of China's Presence in the Horn of Africa	-
from Africa's Perspective	p.96
III. 5. The Implications of China's Presence in the Horn of Africa	
from Critics' Perspective	p.100
III. 6. Measuring the Impact of China's Presence in the Horn of	
Africa	p.101
III. 7. Measurement of China's Impact on the Horn of Africa	_
based on the Aforementioned Metrics	
III. 8. Future Criticisms of the Impact of China's Presence in the	
Horn of Africa	p.105
Conclusion	p.109
1. Strategic and Economic Dynamics	p.110
2. Political Implications and Partnerships with International	•
Organizations	p.112
3. Benefits and Challenges	p.114
4. Considerations of Stakeholders and Outcomes	p.116
5. Implications and Continued Research	p.118
References	p.120
Acknowledgements	p.125

#### **Abstract**

The scope of this study is intended to offer an analysis of the specific nature of China's expanding presence in the Horn of Africa, an area of increasing geopolitical significance. The study is structured to explore several key dimensions of China's engagement in the region, each offering unique insights into the broader implications of this involvement. Central to the study is examining the strategic factors underpinning China's engagement in the Horn of Africa. This involves a detailed exploration of China's geopolitical objectives in the region. The study looks at China's efforts to gain access to vital maritime routes, which are crucial for international trade, particularly in the global shipping and logistics industries.

Additionally, the analysis delves into China's pursuit of natural resources, a significant driver of its foreign policy and economic expansion. In doing so, the study also considers how China has sought to establish a strategic foothold in the Horn of Africa. This region holds substantial importance on the global stage due to its strategic location and resources.

Furthermore, the study deeply probes the motivations behind China's involvement in the Horn of Africa. This critical examination seeks to align China's regional activities with its broader foreign policy goals. The analysis includes assessing China's aspirations for economic growth, its drive to extend diplomatic influence and its pursuit of security interests. This component of the study is pivotal in understanding not just the 'what' and 'the how' of China's actions in the region but also the 'why' behind these actions. Another vital aspect of the study is the assessment of the economic implications of China's activities in the Horn of Africa. This segment scrutinizes the impact of Chinese investments on the region's economic development. It explores how these investments have influenced trade dynamics and examines the potential challenges and opportunities they present for local economies. This analysis is crucial for understanding China's

economic footprint in the region and how it affects the financial landscape. The study also addresses the political implications of China's growing regional influence. This involves a nuanced analysis of how China's presence is reshaping power dynamics within the Horn of Africa. This dissertation examines the evolving relations between the countries of the region and China and assesses the broader implications of these changes for international relations and global power structures.

## **Acronyms and Abbreviations**

**African Union:** an intergovernmental organisation consisting of fifty-five African states.

**AMISOM:** African Union Mission in Somalia

Al-Shabaab: Somali Islamist terrorist group with a Salafist jihadist ideology, created in 2006

during the Ethiopian invasion.

**BRI:** Belt and Road Initiative.

BRICS nations: Brazil, Russia, India, China, and South Africa

**CHEC:** China Harbor Engineering Company

Confucius Institutes: Institutes that officially promote the Chinese language and culture all over

the world but serve mainly as platforms for ideological dissemination.

FDI: Foreign Direct Investment

**FGS:** Federal government of Somalia

**FOCAC:** Forum on China-Africa Cooperation

G77: 77 nations from the Global South which have banded together to create a forum for

harmonizing their views on global economic issues.

Global South: countries in Latin America, Africa, Oceania, and most of Asia, sharing similar

historical experiences of colonization, economic exploitation, and social marginalization.

**HESPI:** The Horn Economic and Social Policy Institute

Horn of Africa Region: Djibouti, Eritrea, Ethiopia, and Somalia

**IGAD**: Intergovernmental Authority on Development

**IMF**: International Monetary Fund

**PLA**: People's Liberation Army Navy

PRC: People's Republic of China

ZTE: Zhongxing Telecommunication Equipment Company Limited, a Global Leading

Integrated Communication Information Solution Provider.

#### Introduction

#### 1. Aims of the thesis

In recent years, China's increasing presence has significantly reshaped the geopolitical landscape of the Horn of Africa, a region of critical strategic importance. This notable expansion of influence and engagement by one of the world's most formidable powers presents a complex tapestry of political, economic, and strategic dynamics that warrants thorough examination. The Horn of Africa, comprising countries like Ethiopia, Djibouti, Somalia, and Eritrea, sits at a crossroads of global shipping routes and regional power plays, making it a focal point of international interest. China's involvement in this region, marked by substantial investments and diplomatic efforts, is not only reshaping the region's political and economic landscape but also has broader implications for global power structures and international relations. In particular, China's Foreign Direct Investment (FDI) in the region has shaped African relations with China and international relations more broadly.

The significance of this study lies in unraveling the intricate web of China's strategic factors and motivations in the Horn of Africa. As a rising global superpower, China has been extending its influence beyond its traditional sphere, actively engaging in regions historically dominated by Western powers.<sup>4</sup> The Horn of Africa, with its strategic location adjacent to the Red Sea and the Gulf of Aden, presents a unique opportunity for China to expand its global footprint. This region is a gateway to crucial maritime routes, a rich reservoir of natural resources, and a

<sup>&</sup>lt;sup>1</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order. Stanford University Press.

<sup>&</sup>lt;sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> McCauley, J. F., Pearson, M. M., & Wang, X. (2022). Does Chinese FDI in Africa inspire support for a China model of development? World Development, 150(C).

<sup>&</sup>lt;sup>4</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order. Stanford University Press.

potential market for Chinese goods and services. Understanding China's strategies in this geopolitically sensitive region is crucial for comprehending the broader narrative of China's global ambitions and its approach to foreign policy and international relations. Exploration is essential in understanding the changing dynamics of global power. The Horn of Africa has been a region where multiple interests of global powers intersect, making it a barometer for shifts in global influence. China's increasing presence in this region challenges the traditional geopolitical order and suggests a reconfiguration of global power dynamics. This shift has profound implications for international politics, global trade, and the future of regional security in the Horn of Africa and beyond. Analyzing China's actions and strategies provides valuable insights into the emerging global order, where multiple powers are vying for influence and control.

China's involvement in the Horn of Africa reflects a broader trend in its foreign policy, characterized by economic investments in development and cooperation. Projects like the Belt and Road Initiative (BRI), which seek to connect Asia with Africa and Europe via land and maritime networks, underscore China's ambition to play a more prominent role in global affairs. The Horn of Africa, with its strategic significance and developmental needs, is an important piece in this grand geopolitical puzzle. The implications of China's presence in the Horn of Africa are varied. Economically, Chinese investments have the potential to transform the region's infrastructure, boost trade, and stimulate economic growth. Politically, China's approach to diplomacy, often described as non-interference in domestic affairs, offers an alternative model to Western forms of engagement, which could realign regional political affiliations and alliances. However, this

\_

<sup>&</sup>lt;sup>5</sup> Fulton, J. (Ed.). (2020). *Regions in the Belt and Road Initiative*. Routledge.

<sup>&</sup>lt;sup>6</sup> Ibid

<sup>&</sup>lt;sup>7</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order. Stanford University Press.

<sup>&</sup>lt;sup>8</sup> Fulton, J. (Ed.). (2020). *Regions in the Belt and Road Initiative*. Routledge.

growing influence is not without its challenges and controversies. Issues such as the sustainability of debt, the impact on local industries, and the transparency of agreements have raised concerns among various stakeholders, including the countries of the Horn of Africa themselves, regional powers, and the international community at large.

#### 2. Background

The history of China's involvement in the region of the Horn of Africa is a fascinating narrative that spans several decades and is marked by a series of strategic engagements and critical milestones. This history concerns the expansion of a global superpower's reach and reflects the changing dynamics of international relations and the shifting paradigms of global influence. China's initial foray into Africa, and by extension, the Horn of Africa, can be traced back to the Bandung Conference in 1955, where Asian and African nations gathered to promote economic and cultural cooperation and to oppose colonialism. This event marked the beginning of China's involvement in Africa, setting the stage for future engagements. However, it was not until the late 1990s and early 2000s that China's presence in the Horn of Africa began to take a more structured and strategic form. The early 2000s marked a significant turning point in China's approach to Africa. This period saw China shift from a policy of political solidarity with developing nations to economic engagement and investment. The Forum on China-Africa Cooperation (FOCAC), established in 2000, became a crucial platform for this new engagement strategy, emphasizing mutual benefit and cooperation. China's interest in the region was driven by its burgeoning

-

<sup>&</sup>lt;sup>9</sup> Fulton, J. (Ed.). (2020). Regions in the Belt and Road Initiative. Routledge.

<sup>&</sup>lt;sup>10</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order. Stanford University Press.

<sup>&</sup>lt;sup>11</sup> Fulton, J. (Ed.). (2020). Regions in the Belt and Road Initiative. Routledge.

economy's need for resources and new markets, and the Horn of Africa, with its strategic location and untapped potential, presented an ideal opportunity. <sup>12</sup>

The mid-2000s witnessed an acceleration of China's involvement in the Horn of Africa, characterized by a surge in investments and trade agreements. This period was crucial in solidifying China's role as a significant player in the region. China's investments focused on infrastructure development, including roads, railways, ports, and energy projects. For instance, the Addis Ababa-Djibouti Railway, completed in 2017, stands as a symbol of China's commitment to infrastructure development in the region. This railway connects landlocked Ethiopia to the Djibouti port and serves as a testament to China's ability to execute large-scale infrastructure projects in the area. The rationale behind these investments is very complex. On the one hand, they aimed to secure access to the region's resources, such as minerals and energy. On the other hand, they were part of a broader strategy to extend China's geopolitical influence through economic means. This dual approach was evident in China's engagement with countries like Ethiopia, where investments in infrastructure were coupled with efforts to develop political and economic ties. The surge of the surge of

The late 2010s marked another significant phase in China's involvement in the Horn of Africa. China's strategy evolved during this period to include economic investments and a growing diplomatic and military presence. The establishment of China's first overseas military base in Djibouti in 2017 was a clear indication of this strategic shift. This move was about protecting China's investments and citizens in the region, projecting its military power, and securing its

<sup>12</sup> Ibid.

<sup>&</sup>lt;sup>13</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order. Stanford University Press.

<sup>&</sup>lt;sup>14</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative. Palgrave Macmillan.

<sup>&</sup>lt;sup>15</sup> Ibid.

maritime interests, especially in the context of the Belt and Road Initiative. <sup>16</sup> China's expanding influence in the Horn of Africa has been further solidified through its involvement in peacekeeping and anti-piracy operations, particularly off the coast of Somalia. These operations have allowed China to showcase its commitment to regional stability and security while also allowing it to gain valuable experience in international peacekeeping efforts.

The Horn of Africa, often including Sudan and South Sudan, occupies a geopolitical position of exceptional significance in global affairs. This region's importance is derived from a confluence of strategic location, abundant resources, and the historical interplay of international interests, making it a focal point for significant powers, including China.

The strategic location of the Horn of Africa is a primary facet of its geopolitical importance. The region sits at the intersection of the Red Sea and the Indian Ocean, commanding access to one of the world's busiest maritime routes—the Bab el-Mandeb Strait. This strait is a critical choke point in global trade, with a significant portion of the world's oil shipments and commercial goods passing through it. Control over or influence in this region, thus, offers substantial strategic and economic advantages. The proximity of the Horn of Africa to the Arabian Peninsula and its location along the Gulf of Aden further amplify its strategic relevance, situating it at the crossroads of Middle Eastern, African, and Asian affairs. The Horn of Africa's proximity to conflict-prone areas and its internal instabilities, marked by political unrest, inter-state conflicts, and terrorism, add layers of complexity to its geopolitical landscape. The presence of international military bases in Djibouti, notably the United States, France, and, more recently, China, underscores the region's

1

<sup>&</sup>lt;sup>16</sup> Fulton, J. (Ed.). (2020). Regions in the Belt and Road Initiative. Routledge.

<sup>&</sup>lt;sup>17</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order. Stanford University Press.

status as a strategic military and security hotspot. <sup>18</sup> These bases indicate the region's importance in global security architecture and reflect the ongoing competition for influence among global powers.

The Horn of Africa is endowed with a wealth of natural resources, adding another dimension to its geopolitical significance. <sup>19</sup> The region possesses untapped oil and gas reserves, particularly in Ethiopia and Somalia, which are of considerable interest to energy-importing countries like China. Additionally, the region is rich in minerals and other natural resources, including gold, tantalum, and copper, further attracting foreign investments. Beyond its natural resources, the Horn of Africa's economic potential is also linked to its demographic and agricultural prospects. The region is home to a growing young population, offering a burgeoning labor force and consumer market. Farming lands, particularly in Ethiopia and Sudan, hold the potential for large-scale agricultural development, which could meet both regional and international food demands.

The geopolitical landscape of the Horn of Africa is also shaped by its complex regional dynamics. Historical conflicts, border disputes, and ethnic and religious tensions influence regional inter-state relations.<sup>20</sup> These internal dynamics often intersect with broader international interests, making the Horn of Africa a nexus for regional and global power plays.

China's growing presence in the region must be understood within this intricate geopolitical context. China's interest in the Horn of Africa aligns with its broader strategic objectives under the Belt and Road Initiative. It seeks to enhance trade routes, secure energy supplies, and establish a

<sup>18</sup> Ciochetto, L., Haley, U. C. V., & Haley, G. T. (2023). China in Sub-Saharan Africa since 2000. In. L. Ciochetto (Ed.), China versus the US, World Bank and IMF in Sub-Saharan Africa (pp. 113–155). World Scientific Publishing.

<sup>20</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order. Stanford University Press.

<sup>&</sup>lt;sup>19</sup> Ibid.

foothold in a growing global significance. China's involvement in the region also reflects its approach to foreign policy, characterized by a focus on economic investments and infrastructure development as tools for building influence.

#### 3. Purpose

The primary purpose of this paper is to thoroughly investigate and understand the increasing presence of China in the Horn of Africa, a region of growing geopolitical significance. This study aims to unravel the intricate dynamics behind China's involvement and to assess its implications for the area and the broader international community. By delving into this subject, the paper seeks to contribute to the ongoing discourse on China's rising global influence and the evolving landscape of international relations, particularly in the context of the Horn of Africa. Central to this exploration is an essential research question that guides the scope and direction of the study followed by two other sub-questions:

- 1. What strategic motivations underlie China's growing presence in the Horn of Africa and how do they align with its broader foreign policy objectives?
  - a. What are the economic implications of China's activities in the Horn of Africa for both the region and China itself?
- b. What political consequences emerge from China's increasing influence in the region both within the Horn of Africa and in the international arena?

Such questions are designed to probe the multifaceted nature of China's engagement in the Horn of Africa, seeking to uncover the layers of strategy, motivation, and impact that characterize this involvement.

#### 4. Structure and Overview

This paper is organized into three primary chapters, each exploring a distinct aspect of China's involvement in the Horn of Africa, followed by a conclusive synthesis of the findings. The structure is designed to provide a deeper understanding of the complex nature of China's presence in the area, encompassing geopolitical influence, strategic interests, and the consequent economic and political impacts.

The first chapter presents a detailed literature review, focusing on the role of the Global South, particularly Africa, in China's expanding geopolitical influence. This chapter explores China's investments in infrastructure, energy, and technology, particularly in countries such as Ethiopia, Djibouti, Somalia, and Eritrea, which have been important in shaping China's geopolitical strategies. It examines how these investments align with China's broader geopolitical ambitions and how the Global South plays into these ambitions as a political and economic entity. The analysis includes exploring the strategic initiatives China has engaged in and their implications for global governance, sustainable development, and human rights.

The second chapter thoroughly examines China's strategic interests in the Horn of Africa. Drawing upon Styan's (2020) insights, this chapter discusses China's pursuit of access to key resources, including energy, minerals, and agricultural products, and its growing diplomatic and military presence in the region. It analyzes how the Horn of Africa offers China crucial marine access to the Mediterranean via the Red Sea and the strategic implications of this for global maritime trade. Additionally, this section evaluates China's involvement in the domestic politics of the region's countries, including its influence on governmental stability and political processes.

-

<sup>&</sup>lt;sup>21</sup> Martorano, B., Metzger, L., & Sanfilippo, M. (2020). Chinese development assistance and household welfare in sub-Saharan Africa. World Development, 129(C).

The third chapter focuses on the economic and political impacts of China's presence in the Horn of Africa. This analysis, based on the work of Weng et al. (2021), assesses both the positive and negative consequences of China's heavy investments and development projects in the region. It explores how China's financial partnerships have facilitated capital access and job creation, contributing to economic growth. Concurrently, it critically examines unsustainable debt levels, financial autonomy, and potentially exploitative labor practices alongside the political influence exerted through economic activities.

The concluding section synthesizes the findings from the preceding chapters, providing the results of an analysis of China's focused presence in the Horn of Africa. The conclusion section discusses the broader implications of China's growing regional influence. It reflects how Chinese investors' balanced and transparent policies can present benefits and challenges to the region. The conclusion also emphasizes the need for broader stakeholder consultation to ensure equitable outcomes and advocates for continuous monitoring and study of the potential effects of China's presence to leverage benefits while safeguarding against any negative consequences.

#### 5. Significance

The significance of the research presented in this paper is twofold: it substantially contributes to the existing scholarly understanding of China's global influence. It offers critical insights for practical policy and decision-making. Firstly, the paper enriches the academic discourse on China's international relations strategies by delving into its growing presence in the Horn of Africa. This region, a crucible of geopolitical interests, is a vibrant canvas illustrating China's approach to solidifying its global standing. This study enhances our comprehension of China's overarching global strategies by dissecting the multifaceted nature of China's engagement,

encompassing economic, diplomatic, and military aspects. It also sheds light on the geopolitical intricacies of the Horn of Africa, illuminating how China's activities intertwine with and impact the regional political, economic, and social fabric. Consequently, the research significantly contributes to the broader conversation on international relations and the evolving global power dynamics, marking a pivotal addition to the contemporary understanding of how emerging powers like China are reshaping traditional geopolitical narratives.

The methodology used in this research involved a comprehensive literature review and analysis of existing scholarly works on China's international relations, particularly its engagement in the Horn of Africa, which bibliography will be cited at the end of this dissertation, featuring various articles, papers and research. This, in order to avoid providing a one-sided view and to instead analyse various opinions and research done on the specific topics to prevent any bias or narrow narratives.

The information collected was analyzed using a qualitative approach. Overall, the methodology employed in this study aimed to provide a comprehensive and nuanced understanding of China's growing influence in the Horn of Africa and its implications for global governance and international relations.

Beyond its academic contributions, the paper's findings bear substantial practical implications. For policymakers in the Horn of Africa and beyond, insights into China's strategies and objectives are invaluable. Such knowledge can inform more nuanced policy decisions, particularly in negotiating international partnerships and safeguarding national interests in the face of growing foreign influence. This understanding is pivotal for leveraging the opportunities presented by Chinese investments while mitigating potential risks to national sovereignty and economic stability. At the global level, this research has implications for international governance,

especially in managing the evolving balance of power and maintaining a stable international order. The study offers a framework for global entities and stakeholders to engage constructively with China and the Horn of Africa nations, fostering an environment conducive to equitable and sustainable development.

### Chapter I

# Literature Review on the Role of the Global South (Africa) for China

China's rise as a global superpower significantly impacts the international order, reshaping geopolitical alignments and influencing spheres of power and interest worldwide. Over the years, China has expanded its influence not just within its immediate geographical surroundings but also far beyond, touching on continents such as Africa, South America, and Australia<sup>22</sup>. The nation has deployed a combination of economic, military, and diplomatic strategies to establish its foothold in these regions<sup>23</sup>.

The Global South is one geographical sphere that stands out in the discourse on China's expanding influence. Historically marginalized yet rich in resources and human capital, the Global South has increasingly become a crucial political and economic force on the global stage<sup>24</sup>. It has gained prominence in multilateral frameworks and global issues, including sustainable development, human rights, and global governance.

<sup>&</sup>lt;sup>22</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative. Palgrave Macmillan.

<sup>&</sup>lt;sup>23</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order.

<sup>&</sup>lt;sup>24</sup> Nguyen Huu, T., & Örsal, D. D. K. (2020). A new and benign hegemon on the horizon? The Chinese century and growth in the Global South. Economics

# I. 1. The Role of the Global South and specifically the Horn of Africa in China's expanding influence

China's engagement with the Global South has been seen as strategic, encompassing various dimensions that range from economic and military to ideological<sup>25</sup>.

This strategic engagement has a vivid illustration in the Horn of Africa. The region has become a notable hub of Chinese investments and activities since the early 2000s<sup>26</sup>. Primarily comprising countries like Ethiopia, Djibouti, Somalia, and Eritrea, the Horn of Africa holds geostrategic importance due to its proximity to critical shipping routes and its role as a gateway to the rest of the continent. China's investments here primarily focus on infrastructure, energy, and technology sectors, demonstrating its long-term interests in the region<sup>27</sup>. Additionally, the Horn of Africa has not only attracted Chinese economic interests but has also seen an expanding Chinese military and diplomatic presence<sup>28</sup>.

The objectives of this chapter are manifold. First, it aims to dissect the concept of the Global South, delineating its historical evolution and role as a vital political and economic entity. The chapter then intends to detail China's strategic interests in the Global South, drawing on a blend of economic, military, and ideological dimensions. In doing so, the chapter employs the Horn of Africa as a case study to illustrate the depth and breadth of China's engagement in the Global South. We will discuss China's various projects and initiatives in countries like Ethiopia, Djibouti, Somalia, and Eritrea. Several case studies will be examined to provide nuanced insights into China's multifaceted approach toward the region. The chapter will also explore the driving

<sup>&</sup>lt;sup>25</sup> Ibid.

<sup>&</sup>lt;sup>26</sup> Styan, D. (2020). China's Maritime Silk Road: The Horn of Africa and Red Sea. In J. Fulton (Ed.), Regions in the Belt and Road Initiative

<sup>&</sup>lt;sup>27</sup> Ibid.

<sup>&</sup>lt;sup>28</sup> Fulton, J. (Ed.). (2020). Regions in the Belt and Road Initiative.

forces behind China-Africa relations, analyze the economic impacts of these relationships, and delve into their political and social ramifications. Lastly, it will scrutinize the criticisms and controversies surrounding China's involvement in the Horn of Africa and the broader Global South. The chapter is organized into several key sections, each offering an in-depth exploration of a particular dimension of China's role in the Global South and Africa. These include discussions on the concept of the Global South, a timeline of China's involvement in the Horn of Africa, multiple case studies to illustrate specific points, analyses of economic impacts and political considerations, and an evaluation of environmental implications.

#### I. 2. The Concept of the Global South in a Chinese Context

The term "Global South" has its roots in the post-colonial era, where it emerged as an alternative to other terms like "Third World," which were considered pejorative or inaccurate. Initially, it was a concept mainly aligned with geographical realities, comprising countries in Latin America, Africa, Oceania, and most of Asia. Still, it has evolved to signify nations that share similar historical experiences of colonization, economic exploitation, and social marginalization<sup>29</sup>. This historical context lays the groundwork for understanding how the Global South interacts with more developed economies and global institutions, often serving as a counterpart to the Global North in international dialogues and negotiations <sup>30</sup>. Over the years, the Global South has gradually transitioned from being viewed merely as a periphery to a vital center of political and economic activity. With the rise of BRICS nations (Brazil, Russia, India, China, and South Africa) and other emerging markets, the Global South has demonstrated a shift from dependency to increasing

 $<sup>^{\</sup>rm 29}$  Berlie, J. A. (2020). China's globalization and the belt and road initiative.

<sup>&</sup>lt;sup>30</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order.

autonomy and agency. It has also significantly contributed to global economic growth, challenging traditional North-South power dynamics. Furthermore, it has gained prominence in international organizations, showcasing its collective bargaining power in multilateral settings<sup>31</sup>.

This change is quantitative, seen through economic metrics, and qualitative in terms of political influence. The Global South has become more assertive, promoting its views and alternatives to Western-centric ideas and frameworks. For example, various nations from the Global South have banded together to create platforms like the Group of 77 (G77), allowing them a collective voice in international forums, particularly in the United Nations. These developments indicate that the Global South is no longer just the passive recipient of policies and strategies crafted by more developed countries. Instead, it has become a significant political and economic force that shapes global strategies and directions <sup>32</sup>.

The relevance of the Global South becomes even more crucial when we consider global issues such as sustainable development, human rights, and global governance. Many of the challenges faced by the international community, such as poverty eradication, climate change mitigation, and peacekeeping, have a significant bearing on countries in the Global South. Consequently, the participation of these nations in shaping sustainable development goals, human rights policies, and governance models is indispensable for the success of these global initiatives<sup>33</sup>. Moreover, through various regional and international partnerships, the Global South has begun to

<sup>&</sup>lt;sup>31</sup> Nguyen Huu, T., & Örsal, D. D. K. (2020). A new and benign hegemon on the horizon? The Chinese century and growth in the Global South. Economics

<sup>&</sup>lt;sup>32</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order.

<sup>&</sup>lt;sup>33</sup> Nguyen Huu, T., & Örsal, D. D. K. (2020). A new and benign hegemon on the horizon? The Chinese century and growth in the Global South. Economics

challenge existing norms around development and governance. Some countries have advocated for an alternative developmental path that is less reliant on Western economic models<sup>34</sup>.

Additionally, issues of human rights and governance are increasingly being framed in a context that considers these nations' unique historical and cultural experiences. Concepts like "right to development" have entered international human rights discourse, allowing for a more nuanced understanding that integrates economic and social rights, often priorities for countries in the Global South<sup>35</sup>. As such, the Global South has evolved from its historical standing as a marginalized region to become a significant political and economic force in the world today. It has become an essential actor in international discussions around critical global issues, including but not limited to sustainable development, human rights, and global governance. As the world grapples with increasingly complex and interconnected challenges, the role of the Global South is not just as a stakeholder but as a contributor to the solutions that the global community seeks to implement.

#### I. 3. China's Interests in the Global South

China's economic engagement with the Global South, particularly with Africa, has been a subject of considerable academic and policy interest<sup>36</sup>. At the heart of this engagement are two primary economic interests: exploiting and importing natural resources and expanding markets for Chinese goods and services. Over the years, China has entered into multiple partnerships with countries in the Global South, often built upon the exchange of natural resources for development

<sup>&</sup>lt;sup>34</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative.

<sup>&</sup>lt;sup>35</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order.

<sup>&</sup>lt;sup>36</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative.

assistance, technology, and investment in infrastructure<sup>37</sup>. Natural resources are a cornerstone of China's foreign economic strategy, particularly in Africa, where countries are rich in minerals, oil, and other resources. One of the primary motivations behind China's significant investments in places like Nigeria, Angola, and Zambia is the acquisition of valuable natural resources such as oil, copper, and rare earth metals. These resources not only fuel China's ever-growing industrial sector but also serve as critical inputs for its technological advances<sup>38</sup>. The transactional nature of these relationships is evident; China often provides these nations with the necessary infrastructure development, ranging from roads and hospitals to schools and telecommunications systems, in return for access to these valuable resources<sup>39</sup>.

Further, China's involvement in the resource-rich Global South involves a sophisticated strategy that combines state-led investments and private enterprise initiatives. State-owned enterprises often lead in large-scale extraction projects backed by bilateral agreements between governments. Simultaneously, private Chinese enterprises have also significantly invested in various sectors, from manufacturing to services, creating a multifaceted approach to resource acquisition<sup>40</sup>. Parallel to its quest for natural resources, China perceives the Global South as a promising market for its products and services. As domestic markets saturate and production costs rise, China seeks to diversify its consumer base. With burgeoning middle classes and increasing spending power, countries in the Global South represent an untapped market with enormous

\_

<sup>&</sup>lt;sup>37</sup> Ciochetto, L., Haley, U. C. V., & Haley, G. T. (2023). China in Sub-Saharan Africa since 2000.

<sup>&</sup>lt;sup>38</sup> Wegenast, T., Krauser, M., Strüver, G., & Giesen, J. (2019). At Africa's expense? Disaggregating the employment effects of Chinese mining operations in sub-Saharan Africa.

<sup>&</sup>lt;sup>39</sup> Martorano, B., Metzger, L., & Sanfilippo, M. (2020). Chinese development assistance and household welfare in sub-Saharan Africa.

<sup>&</sup>lt;sup>40</sup> Varela von Heeren, F. (2022). China's FDI in Sub-Saharan Africa: What effects have the Chinese investments brought to the SADC region?

growth potential<sup>41</sup>. Chinese products, from electronics to machinery and consumer goods, have found a welcoming market in these nations. This trade boosts China's export sector and furthers its broader geopolitical objectives, as economic ties often translate into political influence<sup>42</sup>.

Additionally, China's Belt and Road Initiative (BRI) serves as a concrete example of its dual economic interests in the Global South<sup>43</sup>. This ambitious project aims to create trade corridors connecting China to Europe, Africa, and beyond, facilitating the swift movement of goods and resources. It offers countries in the Global South improved infrastructure, but at the same time, it allows China more straightforward access to markets and resources. It is a mutually beneficial arrangement but not without controversies, particularly regarding debt sustainability and environmental concerns<sup>44</sup>. This market expansion is not limited to goods alone<sup>45</sup>. China's service sector, mainly digital technologies and e-commerce platforms, has also made inroads. Companies like Alibaba and Tencent are increasingly focusing on countries in Africa and Southeast Asia, contributing to the global footprint of China's digital economy<sup>46</sup>.

The evolving relationship between China and the Global South, with a specific emphasis on Africa, is increasingly characterized by strategic interests, particularly in establishing military and diplomatic footholds. China's strategic expansion is part of a broader geopolitical calculus that complements its economic ventures in these regions. While the economic dimensions are important, it is equally crucial to understand how China uses its military and diplomatic channels

\_

<sup>&</sup>lt;sup>41</sup> Zhang, K. H. (2021). How does South-South FDI affect host economies? Evidence from China-Africa in 2003–2018.

<sup>&</sup>lt;sup>42</sup> Fulton, J. (Ed.). (2020). Regions in the Belt and Road Initiative.

<sup>&</sup>lt;sup>43</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative.

<sup>&</sup>lt;sup>44</sup> Fulton, J. (Ed.). (2020). Regions in the Belt and Road Initiative.

<sup>&</sup>lt;sup>45</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative.

<sup>&</sup>lt;sup>46</sup> Ciochetto, L., Haley, U. C. V., & Haley, G. T. (2023). China in Sub-Saharan Africa since 2000.

to assert its global influence and safeguard its overseas investments and interests <sup>47</sup>. China has been gradually increasing its military presence in the Global South, which is nowhere more apparent than in the Horn of Africa. Djibouti, a small country in this region, hosts China's first overseas military base, which has been operational since 2017. This base allows China to secure its critical maritime routes for the shipment of oil and other natural resources back to the mainland. The strategic location of Djibouti, sitting astride the Red Sea and the Gulf of Aden, provides China with an advantageous position to counter piracy and protect its sea lines of communication. In doing so, China ensures the safety of its resource inflow and projects its military power far beyond its borders<sup>48</sup>.

Military expansion is not limited to establishing bases; it involves training, joint exercises, and arms sales<sup>49</sup>. These activities deepen China's strategic ties with various countries, strengthening its diplomatic relationships and extending its geopolitical influence. For instance, China has engaged in arms sales with several countries in the Global South, becoming a significant player in the global arms market<sup>50</sup>. The sale of weapons and military technology allows China to form strategic alliances and opens the door for future military and civilian collaborations. On the diplomatic front, China is increasingly assertive in international forums, often favoring the perspectives and interests of countries in the Global South. China's role in the United Nations, its involvement in regional organizations like the African Union, and its bilateral relations with various countries demonstrate its diplomatic agility<sup>51</sup>. Through diplomatic engagements, China

<sup>&</sup>lt;sup>47</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order.

<sup>&</sup>lt;sup>48</sup> Styan, D. (2020). China's Maritime Silk Road: The Horn of Africa and Red Sea. In J. Fulton (Ed.), Regions in the Belt and Road Initiative

<sup>&</sup>lt;sup>49</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative.

<sup>&</sup>lt;sup>50</sup> Kalu, K. (2021). 'Respect' and 'agency' as driving forces for China–Africa relations.

<sup>&</sup>lt;sup>51</sup> Qi, J. J., & Dauvergne, P. (2022). China's rising influence on climate governance: Forging a path for the global South.

can push for frameworks and policies more aligned with its interests and those of its strategic partners in the Global South. This has led to China becoming an alternative to Western powers for many countries, offering a different model of governance and development.

Initiatives such as the Forum on China–Africa Cooperation (FOCAC) further exemplify China's diplomatic strategies. Through FOCAC, China engages African countries in dialogues that cover a broad range of issues, from economic collaboration and healthcare to peace and security<sup>52</sup>. It provides a platform for China to present itself as a partner in development and security, thereby cementing its diplomatic relationships and strategic interests. Strategically, China's military and diplomatic initiatives in the Global South serve dual purposes. They offer China the means to protect its economic assets and interests while simultaneously providing a counter-narrative to Western models of development and diplomacy. As China continues to rise as a global superpower, its strategic engagements in the Global South will likely intensify, bringing new opportunities and challenges for China and the countries it engages with. Thus, understanding these strategic interests is imperative for a comprehensive view of China's growing influence in global geopolitics<sup>53</sup>.

China's increasing engagement with the Global South, particularly Africa, extends beyond economic and strategic realms to include ideological dimensions <sup>54</sup>. At its core, China's ideological interests lie in presenting an alternative development and governance model that differs significantly from Western paradigms. Often referred to as the "Beijing Consensus," this model emphasizes a combination of state-led development, market reforms, and a non-interference

<sup>&</sup>lt;sup>52</sup> Tang, X. (2021). Coevolutionary pragmatism: Approaches and impacts of China-Africa economic cooperation.

<sup>&</sup>lt;sup>53</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order

<sup>&</sup>lt;sup>54</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative.

principle in sovereign nations' internal affairs<sup>55</sup>. The Beijing Consensus serves as a counternarrative to the so-called "Washington Consensus," widely promoted by Western institutions like the International Monetary Fund and the World Bank. The Western model often comes with conditions such as the implementation of democratic governance, liberalization of markets, and adherence to human rights standards.

In contrast, China's approach is attractive to many countries in the Global South because it offers financial and development aid with fewer political strings attached<sup>56</sup>. This ideological positioning is not merely theoretical; it finds practical expression in various international forums where China frequently sides with countries from the Global South. For instance, in the United Nations, China often defends the principles of state sovereignty and non-interference, especially in human rights discussions, reflecting a set of values and beliefs that resonate with many nations in the Global South<sup>57</sup>. This diplomatic alignment bolsters China's ideological standpoint and further cements its role as a leader among developing nations<sup>58</sup>.

China's ideological outreach also manifests in its soft power initiatives. Educational and cultural exchanges, media enterprises, and even infrastructure projects carry with them the implicit endorsement of the Chinese development model. Confucius Institutes, established globally to promote the Chinese language and culture, serve as platforms for ideological dissemination. These institutes aim not only to impart language skills but also to present China's historical and cultural narratives in a manner that complements its geopolitical aims<sup>59</sup>.

\_

<sup>&</sup>lt;sup>55</sup> McCauley, J. F., Pearson, M. M., & Wang, X. (2022). Does Chinese FDI in Africa inspire support for a China model of development?

<sup>&</sup>lt;sup>56</sup> Kalu, K. (2021). 'Respect' and 'agency' as driving forces for China–Africa relations.

<sup>&</sup>lt;sup>57</sup> Qi, J. J., & Dauvergne, P. (2022). China's rising influence on climate governance: Forging a path for the global South.

<sup>&</sup>lt;sup>58</sup> Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order.

<sup>&</sup>lt;sup>59</sup> Tang, X. (2021). Coevolutionary pragmatism: Approaches and impacts of China-Africa economic cooperation.

China's investments in Africa's digital and telecommunications infrastructure offer another interesting perspective on its ideological interests. By playing a vital role in the digital transformation of many African nations, China is also exporting its model of internet governance, which is far less liberal than Western models and more aligned with state control and censorship<sup>60</sup>. This move has implications beyond technology, as it offers a different information control and governance model that may resonate with authoritarian or hybrid regimes in the Global South.

The notions of mutual respect and agency are often emphasized in China's dealings with African nations. The discourse of mutual development, respect, and non-interference gives these nations a sense of agency, which is often absent in their interactions with Western powers. This perspective particularly appeals to countries that have experienced colonialism or are wary of neocolonial tendencies<sup>61</sup>. Notably, China's focus on infrastructure development projects as part of its Belt and Road Initiative also serves its ideological interests. These large-scale projects are not just economic ventures but a testament to China's development model. The rapid transformation of China from an agrarian society to a global powerhouse is a compelling story that many developing nations find inspirational<sup>62</sup>.

#### I. 4. China in the Horn of Africa

Understanding the trajectory of China's involvement in the Horn of Africa requires a chronological examination highlighting key phases and activities. This approach offers nuanced insights into how China's influence has expanded and diversified over time in this geopolitically significant region, which includes countries like Ethiopia, Djibouti, Somalia, and Eritrea. The early

<sup>&</sup>lt;sup>60</sup> Ciochetto, L., Haley, U. C. V., & Haley, G. T. (2023). China in Sub-Saharan Africa since 2000.

<sup>&</sup>lt;sup>61</sup> Kalu, K. (2021). 'Respect' and 'agency' as driving forces for China–Africa relations.

<sup>&</sup>lt;sup>62</sup> Fulton, J. (Ed.). (2020). Regions in the Belt and Road Initiative.

2000s marked the initial phase of China's investments in the Horn of Africa. This period saw China focusing primarily on extractive industries such as mining and oil. While these ventures were economically motivated, they laid the groundwork for a more complex and multifaceted relationship with the region. During this period, China was seen as a relatively new actor, mostly interested in natural resources to fuel its rapidly growing economy <sup>63</sup>. However, the period from the mid-2000s to the present has witnessed an exponential expansion of projects, particularly in the fields of infrastructure, energy, and technology. Infrastructure projects have included everything from roads and bridges to ports and railways, providing China and Global South countries with significant economic benefits. Similarly, Chinese firms have been instrumental in building hydroelectric dams in Ethiopia for example, thereby addressing critical energy shortages in the region <sup>64</sup>.

China has also made significant inroads into technology transfer in these countries <sup>65</sup>. This move has opened markets for Chinese technology and offered the local populations better access to communication services. It is worth noting that these infrastructure and technology investments often come as package deals with loans and financing options that make it easier for these developing nations to afford such massive projects <sup>66</sup>.

China's diplomatic activities have also intensified during this period. Beyond bilateral relationships, China has engaged with regional bodies like the African Union and the Intergovernmental Authority on Development (IGAD) to facilitate discussions on issues ranging

<sup>&</sup>lt;sup>63</sup> Zhang, K. H. (2021). How does South-South FDI affect host economies? Evidence from China-Africa in 2003–2018.

<sup>&</sup>lt;sup>64</sup> Styan, D. (2020). China's Maritime Silk Road: The Horn of Africa and Red Sea. In J. Fulton (Ed.), Regions in the Belt and Road Initiative.

<sup>&</sup>lt;sup>65</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative.

<sup>&</sup>lt;sup>66</sup> Styan, D. (2020). China's Maritime Silk Road: The Horn of Africa and Red Sea. In J. Fulton (Ed.), Regions in the Belt and Road Initiative.

from economic development to peace and security. These diplomatic forays are part of China's larger strategy to establish itself as a credible and reliable partner for African nations, reinforcing its position in global geopolitics<sup>67</sup>. Furthermore, China has actively fostered people-to-people connections to supplement its economic and political engagements. Confucius Institutes have been set up in various countries in the Horn of Africa, serving as platforms for cultural exchange and soft power projection.

Ethiopia is a quintessential example of China's focus on infrastructure development and industrialization in the Horn of Africa. The relationship between the two nations goes beyond mere economic transactions, representing a model of South-South cooperation characterized by infrastructure development, technology transfer, and mutual growth<sup>68</sup>. In this context, the engagement extends from railways and highways to industrial parks and telecommunications, offering both Ethiopia and China a broad spectrum of opportunities. As we already mentioned, the Addis Ababa-Djibouti Railway is one of the most heralded projects in the Ethiopian context. This railway line, largely financed and constructed by Chinese firms, has significantly eased transportation between isolated Ethiopia and the Djibouti port, a crucial outlet for Ethiopian exports and imports. The railway is a transportation project and a conduit for broader economic activities, including trade, tourism, and even real estate development along the corridor. By facilitating faster and more cost-effective trade, the railway has a cascading effect on various sectors of the Ethiopian economy, thereby contributing to industrialization and economic development<sup>69</sup>.

\_\_\_

<sup>67</sup> Ibid.

<sup>&</sup>lt;sup>68</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative.

<sup>&</sup>lt;sup>69</sup> Ciochetto, L., Haley, U. C. V., & Haley, G. T. (2023). China in Sub-Saharan Africa since 2000.

Another area where Chinese investment has significantly impacted is the establishment of industrial parks. The Hawassa Industrial Park, for example, is one of the several Chinese-supported industrial zones aimed at boosting Ethiopia's manufacturing sector. These parks provide essential infrastructure, from roads and utilities to ready-made factories, allowing Ethiopian and foreign companies to hit the ground running. Such industrial zones are targeted at textiles, leather goods, and agro-processing sectors, which align with Ethiopia's comparative advantages and workforce skill set. The idea is not just to provide infrastructure but to catalyze a broader process of industrialization that can make Ethiopia more competitive in the global market<sup>70</sup>.

Telecommunications is another sector that has received substantial Chinese investment. Companies like Huawei and ZTE have been instrumental in expanding Ethiopia's telecommunications infrastructure, from mobile networks to internet services. This expansion is a commercial venture for Chinese companies and a strategic move to lay the groundwork for digital industrialization in Ethiopia. Access to reliable telecommunications services enables other sectors, including education, healthcare, and e-commerce, to grow and modernize, thereby contributing to broader economic development goals<sup>71</sup>.

Financing these large-scale projects often comes through concessional loans and other financial instruments more favorable than what Western financial institutions typically offer. These financial arrangements have enabled Ethiopia to undertake ambitious projects that might otherwise have been financially unfeasible. However, it is crucial to note that while these projects provide immediate infrastructure and industrial capacity benefits, they also saddle Ethiopia with long-term debt obligations. Hence, the sustainability of these projects and their long-term impact

\_

<sup>&</sup>lt;sup>70</sup> Ciochetto, L., Haley, U. C. V., & Haley, G. T. (2023). China in Sub-Saharan Africa since 2000.

<sup>&</sup>lt;sup>71</sup> Ibid.

on Ethiopia's economic health are subjects that require scrutiny<sup>72</sup>. Beyond the tangible projects, there is an intangible but equally important aspect of the China-Ethiopia relationship—capacity building. Chinese companies and institutions often engage in technology transfer, skill development programs, and educational exchanges as part of their investment initiatives. These programs aim to build local capacities, thereby ensuring that the benefits of infrastructure development and industrialization are sustainable and lead to the growth of indigenous capabilities.

The significance of Djibouti in China's geopolitical strategy lies in its critical location at the Red Sea and the Gulf of Aden intersection, serving as a gateway to the Suez Canal and, by extension, to Europe and the Americas. This unique geographical position makes Djibouti an essential component in China's global logistics and military strategy. Unlike other nations in the Horn of Africa, where China's presence is mainly economic and developmental, the relationship with Djibouti has a prominent strategic and military dimension<sup>73</sup>. When China established its first overseas military base in Djibouti<sup>74</sup> in 2017, this facility was absolutely strategic because of its proximity to other foreign military installations, including those of the United States and France. It offered China an unprecedented opportunity to monitor and learn from Western military operations and capabilities. However, this clustering of global military powers in such a small geographic area immediately raised concerns about geopolitical friction and the potential for conflict, making diplomatic relations particularly sensitive and complex<sup>75</sup>.

Beyond the military base, China has invested heavily in Djibouti's port infrastructure, further solidifying its strategic foothold. The Doraleh Multipurpose Port and the Doraleh Container

<sup>&</sup>lt;sup>72</sup> Ibid.

<sup>&</sup>lt;sup>73</sup> Martorano, B., Metzger, L., & Sanfilippo, M. (2020). Chinese development assistance and household welfare in sub-Saharan Africa.

<sup>&</sup>lt;sup>74</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative.

<sup>&</sup>lt;sup>75</sup> Ibid.

Terminal are examples of Chinese companies having significant stakes. These ports are not just economic assets but strategically vital installations that enhance China's capability to secure and manage its maritime supply chains, especially for crucial resources like oil and minerals sourced from Africa and the Middle East. In essence, the ports offer a twofold objective: they are commercial hubs facilitating trade and are also strategic assets that could be used for military logistics. Chinese investment in Djibouti's port and logistics infrastructure also has broader economic implications for the region. By enhancing Djibouti's capabilities as a logistics hub, China indirectly contributes to economic development in landlocked countries like Ethiopia, which relies heavily on Djibouti's ports for its imports and exports. This synergy between economic and military objectives illustrates the multifaceted nature of China's engagement in Djibouti<sup>76</sup>.

The financial aspects of China's investments in Djibouti have also been scrutinized. Djibouti has assumed significant debt, much of it owed to China, to fund these ambitious infrastructure projects. While these projects hold the promise of transforming Dji bouti into a major trade and logistics hub, they also expose the country to financial vulnerabilities. The issue of debt sustainability is a recurring theme in discussions about China's engagement in Africa and applies acutely to the Djibouti case<sup>77</sup>.

In the Horn of Africa, Somalia and Eritrea represent unique geopolitical landscapes for China, where Beijing's economic interests are closely tied to regional security and governance. Unlike Ethiopia and Djibouti, where economic engagement through infrastructure development is more prominent, China's involvement in Somalia and Eritrea primarily revolves around addressing security challenges and fostering more stable governance frameworks<sup>78</sup>.

\_

<sup>&</sup>lt;sup>76</sup> Ibid.

<sup>&</sup>lt;sup>77</sup> Ibid.

<sup>&</sup>lt;sup>78</sup> Knutsen, T., & Kotsadam, A. (2020). The political economy of aid allocation: Aid and incumbency at the local level in Sub Saharan Africa.

Somalia, grappling with decades-long internal conflict and the persistent threat of extremist groups like Al-Shabaab, offers China the opportunity to play a stabilizing role. China's approach to Somalia is rooted in its broader philosophy of non-interference in internal matters of sovereign nations, but with a focus on economic development as a means to achieve stability. Chinese companies are involved in the country's fishing, agriculture, and small-scale infrastructure projects. Although these investments are economically beneficial, they serve a dual purpose as they are intended to lay the foundation for long-term stability and governance in Somalia. By contributing to economic development, China aims to create a steadier environment, which, in turn, could serve its broader geopolitical interests in the region.

In the case of Eritrea, the situation is different yet equally complex. For years, Eritrea was diplomatically isolated due to its border conflict with Ethiopia and allegations of human rights abuses. However, with the recent rapprochement between Eritrea and Ethiopia, new avenues for engagement have opened. Given the country's coastline along the strategic Red Sea corridor, China sees Eritrea as a potential partner in its Belt and Road Initiative. Beyond economic considerations, China is interested in the country's political stability, which can serve as a buffer against extremist influences in the region. Therefore, Chinese involvement extends beyond mere investments, including diplomatic initiatives to foster good governance and regional stability<sup>79</sup>.

China's presence in both countries is also influenced by its competition with other global powers for regional influence. Given the strategic location of Somalia and Eritrea along critical maritime routes, there is a diversity of interests, including those of the United States and European nations. The situation necessitates that China carefully navigates its diplomatic and security initiatives, balancing its non-interference stance with the need for proactive engagement to protect

<sup>&</sup>lt;sup>79</sup> Ibid.

its interests. Therefore, China's approach in Somalia and Eritrea provides valuable insights into reconciling its ideological principle of non-interference with the practical necessities of geopolitical strategy. Chinese engagement in Somalia and Eritrea also involves capacity-building in governance structures. By offering training programs for officials, providing educational scholarships, and even engaging in people-to-people diplomacy, China aims to foster an environment conducive to effective governance. Although these initiatives are subtle and less overt than large infrastructure projects, they are essential for creating long-term stability, ultimately benefiting China's strategic interests in the region. However, China's involvement in Somalia and Eritrea is not without controversy. Critics argue that China's engagement, particularly in Somalia, has not been sensitive to the complex clan dynamics and the country's delicate social fabric, unintentionally exacerbating existing tensions. Similarly, in Eritrea, there are concerns that Chinese investments could be used to bolster an authoritarian regime, contrary to the principles of good governance that Beijing claims to promote<sup>80</sup>.

#### I. 5. China-Africa Relations

The relationship between China and African nations has evolved into a complex web of economic, strategic, and ideological interactions. Two significant themes encapsulate this bilateral relationship: respect and agency and coevolutionary pragmatism.

The notion of "respect and agency" is a cornerstone in understanding the dynamics of China-Africa relations<sup>81</sup>. Unlike many Western nations with a colonial past with African countries, China approaches its relations with Africa based on mutual respect and a strong sense of agency.

-

<sup>80</sup> Ibid.

<sup>&</sup>lt;sup>81</sup> Kalu, K. (2021). 'Respect' and 'agency' as driving forces for China-Africa relations.

The concept of respect manifests in how China engages with African nations as equal partners rather than beneficiaries. This orientation emphasizes self-determination and sovereignty, respecting African nations' capability to decide on governance, development, or international diplomacy. This approach has been well-received in Africa, where the historical context of colonialism has often left lingering sentiments of exploitation and unequal relationships. The agency granted to African nations in their relations with China offers them leverage to negotiate better terms for investments, aid, and trade. It also enables African countries to approach the partnership with defined agendas and priorities, such as public health, infrastructure development, or education. This sense of agency fosters a form of bilateral relationship that is less paternalistic and more rooted in partnership and cooperation<sup>82</sup>.

Another pivotal concept that elucidates the relationship between China and Africa is "coevolutionary pragmatism" <sup>83</sup>. This term implies that both China and African nations evolve their strategies and approaches based on mutual needs and changing geopolitical landscapes. In this perspective, both parties adapt to each other's economic models, governance structures, and diplomatic strategies, enabling a flexible and dynamic relationship. China's engagement in Africa serves not only its interests but also contributes to Africa's own evolving development models. For instance, Chinese investments in infrastructure and industry often align with African nations' development goals, resulting in a win-win scenario. Coevolutionary pragmatism also allows both parties to recalibrate their approaches based on global economic fluctuations, political changes, and other unpredictable variables.

-

<sup>82</sup> Ibid.

<sup>&</sup>lt;sup>83</sup> Tang, X. (2021). Coevolutionary pragmatism: Approaches and impacts of China-Africa economic cooperation.

Importantly, coevolutionary pragmatism is an adaptive strategy that permits both China and African nations to learn from their mistakes and successes. As they navigate the complex waters of international politics and economics, this flexibility enables them to adapt and improve their engagements. For example, the BRI may evolve based on the outcomes of initial projects, leading to more effective implementation strategies that benefit all involved parties (Tang, 2021). The bilateral relationships governed by these principles also have broader geopolitical implications. As African nations become more significant in international politics, a strong, respectful, and adaptable relationship with China further amplifies their role in global forums. The collaborative ventures stemming from this relationship contribute to bilateral and multilateral engagements, thereby affecting international equations more complexly <sup>84</sup>.

# I. 6. Economics Impacts

The economic impacts of China's engagement with Africa are multifaceted, with Foreign Direct Investment (FDI) being a central pillar. One of the most critical areas where FDI has played a considerable role is household welfare.

The direct impact of Chinese FDI on household welfare in sub-Saharan Africa was found to be positively correlated with the improvement in the standard of living<sup>85</sup>. For instance, infrastructure development often leads to better access to services such as healthcare and education, thereby lifting the overall welfare index of the involved regions. Additionally, investment in sectors like energy and technology has a cascading effect on various aspects of daily life, including mobility, information access, and employment, thereby influencing household well-

84 Kalu, K. (2021). 'Respect' and 'agency' as driving forces for China–Africa relations.

<sup>&</sup>lt;sup>85</sup> Martorano, B., Metzger, L., & Sanfilippo, M. (2020). Chinese development assistance and household welfare in sub-Saharan Africa.

being<sup>86</sup> also confirms that the FDI from China to Africa, especially in the span from 2003 to 2018, has positively impacted host economies. The sectors that have garnered most of the investments, including manufacturing and agriculture, are highly relevant to household welfare as they provide employment and stimulate local economies by creating ancillary businesses and services. China's investment strategy, which often involves the transfer of technology and expertise, further augments the long-term sustainability of these ventures, thereby impacting household welfare even more substantially in the long run.

In contrast, the employment effects of Chinese investments present a more nuanced picture. While Chinese mining operations in sub-Saharan Africa have contributed to job creation, the quality of these jobs and the distribution of employment opportunities are subject to criticism<sup>87</sup>. The influx of Chinese companies often comes with imported labor from China, limiting local employment opportunities. Even when local employment is generated, the jobs are often low-paying and may need more safety measures. Thus, the employment generated only sometimes aligns with the skill sets available in the local labor market, sometimes even exacerbating community social inequities. Such concerns extend to the broader issues of labor rights and employment contracts. Chinese companies have been criticized for not adhering to local labor laws, thereby creating a working environment that is not beneficial for local employees in the long term<sup>88</sup>. Such criticisms point toward a need for greater regulatory oversight and bilateral agreements that specify employment standards and expectations.

Q

<sup>&</sup>lt;sup>86</sup> Zhang, K. H. (2021). How does South-South FDI affect host economies? Evidence from China-Africa in 2003–2018.

<sup>&</sup>lt;sup>87</sup> Wegenast, T., Krauser, M., Strüver, G., & Giesen, J. (2019). At Africa's expense? Disaggregating the employment effects of Chinese mining operations in sub-Saharan Africa.

Additionally, the type of employment generated often depends on the sector in which the investment is made. While infrastructure projects might offer more semi-skilled or skilled job opportunities, sectors like mining are frequently criticized for offering only low-skilled employment that does not contribute to the overall development of the workforce. This differentiation calls for a more sector-specific analysis to understand the real impact of Chinese investments on local employment and, by extension, household welfare.

#### I. 7. Political and Social Ramifications

The political and social ramifications of China's growing involvement in Africa are profound and complex, touching upon everything from local governance to the ideological underpinnings of development strategies<sup>89</sup>.

One vital aspect of this dynamic is the impact of Chinese development assistance on local politics. Knutsen and Kotsadam<sup>90</sup> have highlighted how aid allocation influences political outcomes, especially in the context of incumbency at the local level in Sub-Saharan Africa. Chinese development assistance often targets critical infrastructure projects like roads, hospitals, and schools, which directly impact the lives of the local population. These projects can sway public opinion and increase the popularity of incumbent leaders, thereby affecting the political landscape in subtle yet significant ways.

Additionally, the manner in which this aid is allocated can influence political practices, including transparency, governance mechanisms, and accountability. While Chinese aid often comes with fewer conditions compared to Western aid, it raises concerns about the sustenance of

level in Sub Saharan Africa.

<sup>90</sup> Knutsen, T., & Kotsadam, A. (2020). The political economy of aid allocation: Aid and incumbency at the local

<sup>&</sup>lt;sup>89</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative.

democratic values and practices in the recipient countries. Critics argue that the absence of stringent oversight and conditions can offer a free hand to local politicians to use these resources without sufficient public scrutiny, thereby affecting governance quality and even contributing to corruption. However, supporters argue that this no-strings-attached approach respects the agency of the recipient countries and allows for more flexibility in addressing local needs.

Another critical facet of the political and social ramifications is shaping public opinion regarding Chinese influence. McCauley et al. explored the idea of a "China model" of development and its reception in Africa<sup>91</sup>. According to their findings, Chinese FDI has inspired substantial support for a Chinese development model among Africans. This model, which centers on rapid economic growth with less emphasis on political liberalization, has become increasingly attractive to certain social sections, prioritizing economic security over democratic ideals. The allure of this model is often fortified by visible development milestones, such as new highways, improved electricity grids, and advanced telecommunications networks that transform daily life in tangible ways. The public opinion, therefore, tends to be divided.

On the one hand, there is admiration for the rapid infrastructural development and economic growth that Chinese investments have facilitated. On the other hand, there is concern about what this means for democratic institutions, human rights, and social equality in the long run. Moreover, the concept of a "China model" also impacts the intellectual discourse within Africa, influencing academic debates, policy discussions, and even the educational curriculum. The idea that there might be alternative pathways to development that differ from Western models can empower local communities but also brings the risk of disregarding essential democratic principles and human rights considerations.

\_

<sup>&</sup>lt;sup>91</sup> McCauley, J. F., Pearson, M. M., & Wang, X. (2022). Does Chinese FDI in Africa inspire support for a China model of development?

#### I. 8. Environmental Considerations

The environmental considerations surrounding China's growing influence in the Global South, particularly Africa, are a vital yet often overlooked dimension of this intricate relationship. China's rising influence on climate governance is part of its broader geopolitical engagement<sup>92</sup>. One of the salient aspects of China's approach to environmental matters in the Global South is its dual role: on one side, as a leading emitter of greenhouse gases, and on the other, as a key player in international climate negotiations and sustainable development. China has invested heavily in domestic and global renewable energy in recent years, making it one of the largest producers of solar panels, wind turbines, and electric vehicles<sup>93</sup>. This leadership in renewable energy technologies has directly influenced the Global South, including Africa, where Chinese companies are actively involved in developing renewable energy projects. These initiatives often promise to create sustainable energy security solutions, thereby providing a pathway for these nations to leapfrog over traditional fossil-fuel-based development models<sup>94</sup>. However, this enthusiasm for renewable energy should be understood in the context of China's simultaneous investments in fossil fuel infrastructure in the same regions. Therefore, China's engagement in Africa represents a complex blend of sustainable and potentially detrimental environmental practices.

Furthermore, China's approach to climate governance often involves championing the concerns of developing nations on international platforms. Chinese leaders have been vocal in demanding that industrialized countries bear the brunt of emissions reductions, arguing that developing countries should have the right to industrialize and improve the living standards of

<sup>&</sup>lt;sup>92</sup> Qi, J. J., & Dauvergne, P. (2022). China's rising influence on climate governance: Forging a path for the global South.

<sup>&</sup>lt;sup>93</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative.

<sup>&</sup>lt;sup>94</sup> Ibid.

their people<sup>95</sup>. While this stance resonates with many nations in the Global South, it also brings the responsibility of crafting sustainable development strategies that do not exacerbate climate change. China's leadership in climate governance can be a double-edged sword, providing both the technology and financial support for sustainable initiatives and potentially perpetuating models of development that are not entirely sustainable in the long run.

China's Belt and Road Initiative is an area where its environmental influence is deeply felt<sup>96</sup>. Infrastructure projects under the BRI umbrella are often massive in scale and have significant ecological impacts, including deforestation, soil erosion, and the disruption of local ecosystems. While these projects come with environmental assessments and some level of oversight, the speed and scale at which they are executed can sometimes sideline environmental concerns. This has led to instances where Chinese-led projects in Africa have faced local opposition due to their environmental impact, thereby creating social and political tensions. China's investments in sectors like mining, timber, and fisheries have raised concerns about resource extraction and its long-term sustainability. While such activities create immediate economic benefits, the long-term environmental implications can be detrimental, affecting biodiversity and water quality and contributing to land degradation. These consequences are localized and have a broader impact on regional and global environmental stability.

-

<sup>95</sup> Ibid...

<sup>96</sup> Ibid.

# **Chapter II**

# China's Strategic Interests in The Horn of Africa

China's interests in this strategic region of the Horn of Africa have only increased over time.

The nation has always presented itself as a supporter of the countries of the Horn of Africa, insisting that their populations suffered greatly under colonial domination and that the confrontations of the Cold War brought the scars of war to the continent.

China regularly states that it wishes to avoid interfering in the internal affairs of other countries and rejects the abuse of unilateral sanctions. The Chinese approach seeks to highlight the difficulty of understanding the divergences experienced by these peoples, which are the heritage of history, particularly the colonialism of European countries and American imperialism.

For well over two decades now, China has also been talking about its willingness to support various projects in the area of food security, health, transport, trade promotion, and skills development. China is a mediator, convinced that it has the capacity to resolve the differences between the countries of the Horn of Africa through dialogue and consultation. Above all, it has extremely important interests in a region that is strategic for its international development.

# II. 1. The Horn of Africa in Terms of Geopolitics

The Horn of Africa is linked to several geopolitical issues beyond the advantages of proximity to the Red Sea and the Mediterranean through the Suez Canal, giving unmatched chances for countries that aim to develop economies, increase their political presence globally, and ensure trading flows. The Red Sea is a lifeline of international merchant vessels connecting the Indian Ocean and the Mediterranean via the most strategically valuable waterway – the Bab-el-Mandeb Strait. This passage provides efficient and cheaper transport links connecting continents

with only little goods transportation time and costs.<sup>97</sup> World trade, geopolitical issues, and international relations also have enormous ramifications due to their placement in Africa, Asia, and the Middle East intersection<sup>98</sup>. Additionally, the sea that borders the country is an excellent asset in economics and politics.

The Mediterranean Sea has historically been an important trade link, especially to southern Europe, opening up corridors for cultural interchange, trade partnerships, and political geography. Many countries in the Horn of Africa could strengthen their ties with Western European countries through their proximity advantage. It allows them to take over or even control vital sea routes and influence global trade patterns. Nations wishing to develop their navies, logistics hubs, and trade ports for a solid military stance and influence within the Horn of Africa are motivated by the strategic gains of this area. This position allows them to monitor and protect the business activities from piracy, as well as global politics affecting trade, peace, and mutual relations.

However, its impact on regional diplomacy and security rather than its geographic advantage endows the Horn of Africa with paramount significance. This region matters a lot in international relations. Some countries fighting for its command know how beneficial it is; hence, they engage in diplomacy to make amicable relations with others for stability. The area situated along the coast of the Red Sea and its proximity to the Mediterranean brings much geopolitical significance<sup>99</sup>. This location is indispensable for world trade marine activity, allowing countries to dominate vital seaway passage points. Governments know this region is priceless and continue deploying diplomatic, economic, and military mechanisms to cement their footing and exploit its richness in international diplomacy.

\_

<sup>&</sup>lt;sup>97</sup> Bazilian, M. D. (2018). The mineral foundation of the energy transition.

<sup>&</sup>lt;sup>98</sup> Varela von Heeren, F. (2022). China's FDI in Sub-Saharan Africa: What effects have the Chinese investments brought to the SADC region?

<sup>&</sup>lt;sup>99</sup> Becker, G. S. (2019). Investment in human capital: A theoretical analysis.

# II. 2. Economic Opportunities in the Region

The Horn of Africa could be an excellent place for business as it contains many natural resources such as energy, seafood, minerals, and in some areas, agriculture, coffee for instance. With outstanding natural endowments and a growing market, any state or investor should take advantage of every chance to invest in this location, which is most omitted by global economic dialogue.

The Horn of Africa has one of the most significant natural resource endowments, significantly contributing to the economy. The area has potential large energy reserves that are yet undeveloped, such as more crude oil and gas<sup>100</sup>. The emerging potentials for oil exploration and production in countries like Ethiopia, Somalia, and Sudan, among others, have been attracting the energies of companies venturing into these budding markets. These energy sources can boost local economies and enhance global alternative fossil fuel sources. The Horn of Africa could become an epicenter of economic prosperity through strategic engagement and collaboration, encompassing investment opportunities within the regional and international sphere.

Additionally, its coast provides an abundance of seafood, which is also very nutritious. Due to the many long coastlines towards the Red Sea, the Gulf of Aden, and the Indian Ocean, the area has different kinds of fish and seafood. The fishing sector is an influential pillar conducive to employment opportunity creation, strengthens livelihoods within the region that is nevertheless affected by sometimes intense drought, and provides export income for surrounding nations.

Mineral deposits also form one of the areas that contribute to the economic potential of the zone. The Horn of Africa contains mineral resources such as gold, copper, iron ore, and rare earth

46

<sup>&</sup>lt;sup>100</sup> Varela von Heeren, F. (2022). China's FDI in Sub-Saharan Africa: What effects have the Chinese investments brought to the SADC region?

elements<sup>101</sup>. Large amounts of minerals in countries such as Eritrea, Ethiopia, and Somalia could economically stimulate production and industrialization. International mining companies seize this opportunity in these areas. They wish to exploit the minerals and export them so that there will be job creation and promotion of economic growth.

Agriculture is a constant pillar of the economies of the Horn of Africa. It enables the majority of the population to make a living, and in some years of severe drought, to survive, as it remains underdeveloped. In these countries, where more than 75% of the land is farmland, the obstacles caused by an increasingly hot climate, growing violent inter-ethnic conflicts and unstable governments are predominant. As a result, the region is experiencing high levels of food insecurity. Fortunately, there are exceptions, such as the coffee plantations in the Ethiopian highlands, at an altitude of over 1,500 metres in the west of the country. There, the still-temperate climate, the rich soils and the know-how of the local people provide optimal conditions for coffee production. The country has productive soils for other plants like maize, teff, and pulses <sup>102</sup>. Also, it supplies food for the local communities and commodities for exports towards the global food supply.

Though natural resources could provide immense prospects for economic transformation that could uplift its current status in just one day, some hindrances need to permit their utilization. The lack of proper infrastructure, unstable political regimes, lack of financial investment, and environmental issues hinder the full exploitation of these economic spaces.

These can only be addressed through joint actions by intergovernmental institutions and international actors. Governments should invest heavily in various areas, such as the development of infrastructure, improvement of governance, ensuring political stability of the regions,

<sup>102</sup> Callahan, W. A. (2012). Sino-speak: Chinese exceptionalism and the politics of history.

<sup>&</sup>lt;sup>101</sup> Berlie, J. A. (2020). China's globalization and the belt and road initiative.

encouraging sustainability, and facilitating access to finance and technology to exploit the region's total economic benefits. But governments are poor, heavily corrupted and often under the yoke of terrorist groups. It is then more than necessary to address their current challenges to realize their economic potential. Through proper intervention strategies and collaborations, the Horn of Africa could be transformed into a more regular place that could attract investments across the globe and not only depend on UN assistance.

As such, it requires every region to take action in conjunction with international investors. Investment in infrastructure upgrades, governance enhancement, guaranteeing stable politics, sustainability promotion, provision of finance, and adoption of modern technologies have all been recommended as prerequisites for fully actualizing the area's economic development <sup>103</sup>. However, the region has prospects of developing into a more regular economy. Its realization requires addressing current issues to realize the full benefits <sup>104</sup>.

This is indeed a situation that attracts China. And developing that regional economy implies a considerable market for expansion for utilization of the resources. This forms a crossroad linking Africa with Asia and the Middle East<sup>105</sup>. It remains one of the major entry points into trade between these two continents, opening up numerous opportunities that may be exploited by traders and investors alike.

The natural geographical location supports the creation of business initiatives. These international waters form a lifeline to the Horn of Africa, leading to strategically attractive seaways such as the Gulf of Aden and the Red Sea. Additionally, these rivers act as major water roads that

 $^{103}$  Qi, J. J., & Dauvergne, P. (2022). China's rising influence on climate governance: Forging a path for the global South.

<sup>&</sup>lt;sup>104</sup> Vines, A. (2013). A decade of African peace and security architecture.

<sup>&</sup>lt;sup>105</sup> Varela von Heeren, F. (2022). China's FDI in Sub-Saharan Africa: What effects have the Chinese investments brought to the SADC region?

promote trade between Africa and Asia to Europe and the Middle East, enabling easy transportation of goods and other merchandise<sup>106</sup>. This makes the region strategically located and thus favorable to such business ventures since they are interested in interacting with more markets.

Infrastructure has recently witnessed remarkable developments to open up the area for trade and subsequent economic growth <sup>107</sup>. His initiative includes infrastructure projects such as port development, roads, railway building, and logistics centers to promote connectivity within the zone and with the neighboring countries. These include measures vital in improving trade facilitation, reducing transportation costs, and facilitating the free movement of goods, which translate into commercial affairs and foreign investment. Also, the emergence of a new population and budding middle-class clients in the Horn of Africa indicates the potential for a better consumer market for quality goods and services. Emerging markets have developed due to increased disposable income among customers who are changing their needs' purchase patterns.

The crucial point remains obviously the lack of democracy that causes the political instability. Lousy infrastructure, trading barriers, administrative obstacles, and security risks that make it hard for the smooth movement of goods and capital across borders.<sup>108</sup>

It calls for joint efforts for optimal exploitation of the region's capacity for commercial developments and trading. Consequently, governments and other entities must have programs in areas such as infrastructure provision, trade support, political stability, and creating a suitable business environment<sup>109</sup>. Hence, promoting regional economic cooperation and collaborations will

<sup>108</sup> Chen, C. C., Chen, X.-P., & Huang, S. (2013). Chinese Guanxi: An integrative review and new directions for future research. Management and Organization Review, 9(01), 167–207.

 $<sup>^{106}</sup>$  Feldbaum, H., & Michaud, J. (2010). Health diplomacy and the enduring relevance of foreign policy interests.

<sup>&</sup>lt;sup>107</sup> Ibid

<sup>&</sup>lt;sup>109</sup> Martorano, B., Metzger, L., & Sanfilippo, M. (2020). Chinese development assistance and household welfare in sub-Saharan Africa.

enhance regional investment destination attractiveness, eventually livening up and strengthening the global market environment.

The Horn of Africa enjoys true advantages, including a favorable strategic location, abundant natural mineral resources, improved transportation infrastructures, and emerging consumer markets, making it a promising site for business growth and trade. With the existing challenges, however, the Horn of Africa may be transformed into a real economic zone, one of the catalysts that pushes forward the regional development process with an equally great impact on the overall global trading matrix<sup>110</sup>.

### II. 3. Strategic Importance of the Growing Population

The Horn of Africa's ever-growing population represents an influential feature that enhances the strategic significance of the region while providing tantalizing business ventures and fueling the economy<sup>111</sup>. Since the region's population is growing and becoming increasingly urbanized, this demographic scenario is crucial for market players looking into the area's prospects.

This growing population's burgeoning consumer market constitutes one of the main elements behind the strategic importance of the Horn of Africa. The expanded population would give rise to many consumers, which will cause a tremendous increase in demand for products from the retail sector, health, educational, housing, and consumer goods industries, among others. This allows companies to target youthful potential clients.

\_

<sup>&</sup>lt;sup>110</sup> Ibid.

<sup>&</sup>lt;sup>111</sup> Levitsky, S., & Way, L. (2002). Elections without democracy: The rise of competitive authoritarianism.

In addition, the young population present in the region acts as a valuable resource that introduces innovativeness, originality, and an energized workforce. This is where many of the people fall in the working age bracket, providing a big group of available talent and labor reserves. Thus, this demographic advantage can boost productive economic activities, enhance innovative development, and stimulate investments by labor or capital-intensive sectors.

Besides, urbanization continues faster as the population in urban areas of the Horn of Africa increases. It becomes a focus of economic activities, offering chances for infrastructural development, property investments, and enterprise operations centering on the needs and desires of people residing therein. The increasing number of people living in urban areas creates investment opportunities in such sectors as construction, transport, utilities, and tech.

Moreover, an expanding number of inhabitants means a rising call for essential services. Therefore, there is a need for investments in modern healthcare infrastructure, pharmaceutical supplies, medical technologies, and advanced educational institutions. This creates an attractive investment environment for those seeking lucrative returns in the growing healthcare and academic areas.

It also determines how consumers behave as well as consumption patterns and preferences. The number of people in the growing middle class also means they now seek finer quality products and services. There is also an opportunity for companies to develop newer and premium products tailored towards the increasingly educated and emerging affluent classes with a new lifestyle.

There is a need to address several issues accompanying the increasing number of people in the Horn of Africa within the context of harnessing its strategic importance. Therefore, a conducive environment for trade, political stability, and dealing with social differences will have to exist. Optimally utilizing a young labor force requires investment in human capital via education, skill improvement, and health care<sup>112</sup>. Sharing new skills and information among the employees brings more output that encourages creativity, differentiation, and, eventually, competitiveness.

Investments will be lucrative in many different areas across the Horn of Africa, a growing region in terms of its population. This part of the world is a suitable economic environment for budding entrepreneurs and investors because of the highly youthful population and changing consumption trends<sup>113</sup>. In the next few years, with the help of its dividends, the Horn of Africa must invest heavily against challenges and support the primary growth areas to facilitate sustainable economic growth in the long run.

Enormous geopolitical importance exists in the rising population of the Horn of Africa, which needs consideration while forging a flourishing trade realm. This explains why the changing population structure shapes regional economic dynamics by introducing greater markets, growing demands for commodity provision, and boosting trading and commercial activities across various sectors.

Population in the Horn of Africa is a major segment yielding an emergent, vibrant, and varied consumer market. The growth of the world's population goes hand in hand with expanding consumers, offering a vast market prospect for companies and investors<sup>114</sup>. The rising population in this age bracket creates a demand for various goods and services like retail, consumer products, technologies, health, education, and infrastructure.

In addition to that, the youthful representation by the region's population makes the increasing market more lucrative. However, many people are in the youth and working-age

<sup>&</sup>lt;sup>112</sup> Martorano, B., Metzger, L., & Sanfilippo, M. (2020). Chinese development assistance and household welfare in sub-Saharan Africa.

<sup>&</sup>lt;sup>113</sup> Knutsen, T., & Kotsadam, A. (2020). The political economy of aid allocation: Aid and incumbency at the local level in Sub Saharan Africa.

<sup>&</sup>lt;sup>114</sup> Tang, X. (2021). Coevolutionary pragmatism: Approaches and impacts of China-Africa economic cooperation.

categories whose demographic advantage will ignite the economy and change consumption habits. These are growing markets of relatively youthful consumers with changing taste patterns and enhanced disposable incomes. These markets present significant opportunities for businesses wishing to enter and increase their market share.

However, there is an urbanization trend that accompanies this population boom. As a result, this boosts trade and commerce in the Horn of Africa. As cities are transformed through urbanization, they become busy towns, which form the center of economics and business. The emergence of these urban areas provides avenues for investment creation of infrastructural networks, commercial ventures, and industries focusing on urban citizens' needs.

In addition, the fast-rising population impacts domestic trade and integrates the region with world markets. The raised consumer market interlinks with other areas, creating business people and investors who wish to access this increasing market <sup>115</sup>. Such an opportunity opens doors for import-export businesses, cross-border trading partnerships with other countries, and foreign direct investments to promote economic diversity and integrate the country within the international economic sphere <sup>116</sup>.

An increase in the middle class in the Horn of Africa also adds to the power of a growing market for trade and commerce. Consumer behavior changes as income increases and aspirations change towards better quality products and services. In effect, this social category is a potential avenue of wealth for institutions catering to the luxury and unique types that stimulate creativity, rivalry, and further development in marketing.

<sup>115</sup> Qi, J. J., & Dauvergne, P. (2022). China's rising influence on climate governance: Forging a path for the global South.

53

<sup>&</sup>lt;sup>116</sup> Vines, A. (2013). A decade of African peace and security architecture.

Nonetheless, enhancing the economic influence of this expanding segment in terms of foreign trade and business has a range of challenges attached to it. It is crucial for China to make investments in infrastructure development like transport networks, logistics, and energy towards the efficient movement of goods in and outside the region<sup>117</sup>. Besides, establishing an enabling policy framework, enhancing governance, and easing trade facilitation and foreign direct investment are necessary for promoting trade and foreign direct investment.

Human capital development should be a priority, as it will help unlock all its benefits. These involve programs on education, skills development, and entrepreneurial culture for a more productive employment sector. Another concern is ensuring the operation of businesses in a friendly environment for sustainable economic growth and a prosperous trade system. This is a source of dynamism, among many other things, including growth that generates a burgeoning market for trading and commercial activities in the Horn of Africa region. The development of the population density and middle class, coupled with changing consumer behaviors, opens up opportunities for doing business in this area<sup>118</sup>. By tackling the problems and creating favorable circumstances for investment and trade in the Horn of Africa, this population can fuel the economy, facilitate cooperation between the member states, and enable the regions to participate actively in international market competition.

# II. 4. China's Diplomatic and Military Expansion

Regarding this, China's strategic interests in the Horn of Africa seem to have significantly increased its diplomatic and military presence. This is a clear indication that China wants to

1.1

<sup>&</sup>lt;sup>117</sup> Jessop, B. (2016). Territory, politics, governance and multispatial metagovernance.

<sup>&</sup>lt;sup>118</sup> Knutsen, T., & Kotsadam, A. (2020). The political economy of aid allocation: Aid and incumbency at the local level in Sub Saharan Africa.

promote its influence, national economic interest, and international status through strategic diplomacy and military engagement in this vital sector. China's rising involvement within diplomacy in the Horn of Africa is on an increasing trajectory annually. China's capital, Beijing, has gradually increased its diplomatic contacts through economic influence and aid <sup>119</sup>. One of the major pillars of Chinese diplomacy is The Belt and Road Initiative, which provides infrastructure investment, loans, and development assistance to Horn of Africa's nations. <sup>120</sup>

BRI seeks to promote inter-continental linkage through trade, whereby China uses its investments to develop critical network facilities, including ports, highways, railroads, and telecoms<sup>121</sup>. For example, China's investment in ports and a military base in Djibouti illustrates the country's tactical maneuvers to secure sea access and trade route facilitation, which are also part of its overall geopolitical strategy in the target of the Horn of Africa.

Chinese foreign policy usually includes trade agreements, mutual investments, or cooperative enterprises, among other things. The engagements go beyond the economic concerns but are also directed towards the more significant political and strategic goals of gaining access to resources, expanding their markets, and countering the influence of rival states in the region. There is also an evident expansion of Chinese military operations in the Horn of Africa, which works alongside China's diplomatic attempts<sup>122</sup>. The decision by China to establish its first overseas military base in Djibouti, as we said, was an essential move within its military expansion strategy. The naval base serves a variety of roles, including fighting piracy in the Gulf of Aden and controlling their business, as well as being a power outpost in the area.

<sup>&</sup>lt;sup>119</sup> Jessop, B. (2016). Territory, politics, governance and multispatial metagovernance.

<sup>&</sup>lt;sup>120</sup> Chen, C. C., Chen, X.-P., & Huang, S. (2013). Chinese Guanxi: An integrative review and new directions for future research. Management and Organization Review, 9(01), 167–207.

<sup>&</sup>lt;sup>121</sup> Levitsky, S., & Way, L. (2002). Elections without Democracy: The rise of competitive authoritarianism.

<sup>&</sup>lt;sup>122</sup> Berlie, J. A. (2020). China's globalization and the Belt and Road Initiative. Palgrave Macmillan.

This Chinese military base enables China to project beyond its coast, defend critical corridors for oil or energy supplies, and export from global shipping lines. Moreover, it serves as a stepping stone for the Chinese peacekeeping and intervention undertakings in Africa, making China an essential player in the African region with increased military presence <sup>123</sup>.

In addition, the Chinese troops posted on duty in the Horn of Africa are a key strategic asset for supporting missions related to critical security threats elsewhere. The garrison of the People's Liberation Army Navy (PLA) in Djibouti has specialized elements dedicated to dealing with various security concerns, including piracy and regional instability. This proactive move helps China take a more effective part in solving the problems faced by Africa and, therefore, improves its ability to ensure global security<sup>124</sup>.

The development of this military base lets China enhance its maritime security activities and expand into a geo-strategically significant region. This highlights the PLAN-Navy's role in supporting critical naval trade routes, ensuring security interests, and engaging in global security activities. It can enhance China's capacity for rapid reaction to a new challenge <sup>125</sup>.

Moreover, implementing this policy has been criticized since China's engagement in regional politics and economics causes some problems. Critics often question whether the increasing contribution, in reality, is meant well by bringing to question debt traps, lack of transparency, and neo-colonial tendencies characterizing some ventures or interactions. Political relationships are often strained when new military installations appear in different parts of the world, as concerns arise about getting into military confrontations with states surrounding them.

brought to the SADC region? [Bachelor's thesis, Universidad Pontificia Comillas].

<sup>&</sup>lt;sup>123</sup> Horner, R., & Nadvi, K. (2017). Global value chains and the rise of the Global South: Unpacking twenty-first century polycentric trade.

<sup>&</sup>lt;sup>124</sup> Vines, A. (2013). A decade of African peace and security architecture. International Affairs, 89(1), 89–109. 
<sup>125</sup> Varela von Heeren, F. (2022). China's FDI in Sub-Saharan Africa: What effects have the Chinese investments

China's involvement in the internal affairs of the Horn is a cause for concern. Due to the above, people have questioned China's role in stability and democratization. Its involvement in diplomatic and military matters of the Horn of Africa hints that it has an all-round strategy for protecting economic gains, boosting its influence, and enhancing international status <sup>126</sup>. Through the BRI's economic efforts and diplomatic exchanges of establishing military bases, China seeks to remain rooted, secure its investment, and gain more control over the regional political scenario. However, several challenges and controversies are associated with these growths, such as debt diplomacy, issues of transparency, and the prospect arising in geopolitics in the aftermath of this increasing role of involvement.

This part of Africa is becoming increasingly significant within the global community. At the same time, China's growing presence in the region allows it to project its military powers <sup>127</sup>. These activities constitute a platform necessary for broadening Chinese naval excursions far from its shores, securing critical sea lanes vital for oil imports and commerce.

One important feature of the Gulf involves China operating anti-piracy. This also depicts China as part and parcel of the world community endeavoring to keep the world's trade routes. Besides, this could also be seen as one way through which China continues to maintain its status as a responsible, prominent actor on the international scene<sup>128</sup>. The engagement of Chinese peacekeeping efforts also shows excellent consideration for the safety of other states and countries surrounding China. These projects show that China is indeed one of the major players in promoting peace as soft power and global goodwill internationally.

<sup>&</sup>lt;sup>126</sup> Heibach, J. (2020). Sub-Saharan Africa: A theater for Middle East power struggles.

<sup>&</sup>lt;sup>127</sup> de Coning, C. (2018). Adaptive peacebuilding.

<sup>&</sup>lt;sup>128</sup> Feldbaum, H., & Michaud, J. (2010). Health Diplomacy and the Enduring Relevance of Foreign Policy Interests.

Additionally, the permanent base of the PRC facilitates swift reaction to any alterations concerning the area's security issues. However, it extends beyond anti-piracy operations and employs measures that tackle security concerns such as political agitation, terrorism, and regional conflicts that can impede trade flow and Chinese investments. The area is also an essential logistic point, allowing China to re-supply its fleet in neighboring regions<sup>129</sup>. Thus, logistic advantage makes it possible for further projections of power in greater Africa and the Indian Ocean.

Nonetheless, there are unresolved contentions surrounding the roles of the Chinese troops in the Horn of Africa. It is suspected by other world powers to be a dual-use infrastructure with both civil and military purposes. Regional power suspects that the Chinese are planning to militarise their competition, and uncertainty will continue <sup>130</sup>. There are also queries about why China's military advancement within the Horn of Africa and how it can threaten already existing powers' interest in Africa.

Consequently, regional and global actors struggle to maintain peace even as the mounting tension caused by the rising Chinese military continues growing. Using Chinese military positioning in the Horn of Africa as a power projection reflects China's emerging status concerning self-defense and aggression. The presence of the Chinese Army in Djibouti has also been encircled by questions about the intentions that China's presence bears concerning its neighbors. Politics of power balances in such an important geo-strategic area will inevitably make its military activities subject to the close attention of all parties concerned.

<sup>&</sup>lt;sup>129</sup> Chen, C. C., Chen, X.-P., & Huang, S. (2013). Chinese Guanxi: An Integrative Review and New Directions for Future Research.

<sup>&</sup>lt;sup>130</sup> Callahan, W. A. (2012). Sino-speak: Chinese exceptionalism and the politics of history.

# II. 5. Projection of Power and Influence

Moves made by China in the Horn of Africa illustrate measures to increase power projection across boundaries. Economy and natural resources are vital strategic assets of the Chinese foreign policy geared towards turning China into a considerable power in world politics.

The expanding Chinese interactions with the Horn of Africa bear long-term implications for Chinese global power<sup>131</sup>. Similarly, China uses several parts of its army to aid Chinese economic development, such as the BRI, making it among the strongest globally.

The Chinese involvement in the Belt and Road initiative is a significant boost for business in the Horn of Africa. One ambitious undertaking to achieve these targets is the great project of connecting Asia to Africa and Europe for investment, trade routes, and road networks<sup>132</sup>. China's venture into portage, railway, and other critical infrastructure development projects in the Horn of Africa aims to establish commercial pathways linking resource centers and business hubs across borders to extend their influence.

The soft power that China develops enables it to make deals and connect with parties that can strengthen its grip on the region politically as well as economically. Further, the approach allows China to make friends with other governments, resulting in support and ultimately shaping international opinions. This has subsequently been reinforced with the solid military positioning of China in the Horn of Africa, as evidence of their navy<sup>133</sup>. This base signals that China can exert regional power beyond those borders. It improves China's capability of protecting its maritime interests, main sea lanes, and operation beyond territorial waters, increasing its image as an

<sup>&</sup>lt;sup>131</sup>Berlie, J. A. (2020). China's globalization and the belt and road initiative.

<sup>&</sup>lt;sup>132</sup> Becker, G. S. (2019). Investment in human capital: A theoretical analysis.

 $<sup>^{133}</sup>$  Callahan, W. A. (2012). Sino-speak: Chinese exceptionalism and the politics of history. The Journal of Asian Studies, 71(1), 33-55.

international sea power. Moreover, under the UN mandate, China contributes positively to world security and peace by supporting peacekeeping operations and humanitarian actions in the Horn of Africa<sup>134</sup>. The moves show that China is ready to be part of international affairs for a collective solution to common problems.

However, some challenges and concerns are associated with China's rising power in the Horn of Africa. The growing presence creates suspicion about China's political intentions among other world powers. Some regard Chinese involvement in the area as a violation of regional political conventions that may also be construed as an attempt to undermine traditional Western supremacy<sup>135</sup>. China's investments and engagements approach, often criticized for being opaque, has created doubts about debt sustainability and a possible 'debt trap' for the neighboring countries, thus posing some authentic questions regarding its actual intents and inherent risks to the affected.

The rise of China into global power has prompted a re-examination of geopolitics, where some scholars argue that it portends the arrival of a multipolar world order <sup>136</sup>. China's moves in this crucial part of the world will impact global politics, creating new possibilities and difficulties for major players and regional settings.

The projections of Beijing's power and influence on the Horn of Africa are essential to its bigger picture as one of the new global giants. China is taking economic initiatives and diplomacy and, by the military, redoing world politics, increasing its influence zone, and challenging the

<sup>134</sup> Tang, X. (2021). Coevolutionary pragmatism: Approaches and impacts of China-Africa economic cooperation.

<sup>135</sup> Becker, G. S. (2019). Investment in human capital: A theoretical analysis. Journal of Political Economy, 70(5, Part 2), 9–49.

<sup>136</sup> Feldbaum, H., & Michaud, J. (2010). Health diplomacy and the enduring relevance of foreign policy interests.)

actual new world order<sup>137</sup>. Nonetheless, concerns and challenges of the long-term effects of China's influence in the region and beyond need to be considered.

China's involvement and game tactics towards Somalia, Sudan, Eritrea, Yemen, and the entire Horn are part of its quest for recognition as an influential world leader. China wishes to establish itself as a reputable international player through multifaceted avenues, including diplomacy, economic investment, military support, and regional involvement.

The Asian country has diplomatically contacted most nations in the Horn of Africa over trade agreements. Its engagement in multilateral fora, bilateral agreements, and diplomacy seeks friendship and a key diplomat status. In essence, by demonstrating that it can initiate diplomatic moves, China portrays itself as a responsible and helpful member of the international community, thus enhancing its position in the world scene.

China's economic significance makes it gain global respect. In addition, through road construction, loans, and development projects, China makes that country top among global investors for the Horn of Africa's economic progression<sup>138</sup>. Investments in China in ports, railways, and other crucial infrastructure projects have turned the place into a business hub due to its booming economy.

The case of China's military presence in the Horn of Africa should be noted while considering this aspect. This also manifests in the creation of a Chinese military base outside, which shows that it is growing internationally. The Chinese army ensures the defense of China's strategic interests, making it a mighty global sea power with a strong impact beyond its limits. China also supports peace-making missions and participates in the supply of humanitarian relief

\_

<sup>&</sup>lt;sup>137</sup> Vines, A. (2013). A decade of African peace and security architecture.

<sup>&</sup>lt;sup>138</sup> Martorano, B., Metzger, L., & Sanfilippo, M. (2020). Chinese development assistance and household welfare in sub-Saharan Africa.

materials, and it is one of the most critical players in the global arena. China's contribution to active peacekeeping demonstrates its role as a responsible global citizen seeking to promote world peace and security.

The above, coupled with the fact that the Horn of Africa states no longer wish to work with their traditional Western counterparts, makes China a viable outreach option for these nations. As such, more African countries now see China as a reliable and suitable partner in economic projects, diplomacy, and infrastructure. Many nations seek economic development via 'win-win cooperation' similar to China's approach<sup>139</sup>.

However, China faces similar difficulties and criticisms while seeking to be regarded as a significant force in international politics. Investors and external actors become skeptical and suspicious when they think the IMF is a new form of colonialism <sup>140</sup>. Also, China's rise to power causes concern because other forces may question what China means to them and how it will affect their sovereignty.

For instance, China is involved in the Horn of Africa to prove its importance. China utilizes diplomacy and economic investments, keeps its military force at work, and actively intervenes in regional activities to become a significant global figure. Despite having come a long way in being acknowledged, these concerns still have to be considered as their impact continues to spread globally. How China behaves in the Horn of Africa or elsewhere will help shape other people's views and affect international affairs.

<sup>140</sup> Kalu, K. (2021). 'Respect' and 'agency' as driving forces for China–Africa relations.

<sup>&</sup>lt;sup>139</sup> de Coning, C. (2018). Adaptive peacebuilding. International Affairs, 94(2), 301–317.

# II. 6. Role in Regional Politics

This entanglement goes beyond economics and warfare in the Horn of Africa, as with China's influence. This means that China is attempting to protect its interests and keep the peace as it forges room for expansion in the Horn of Africa states<sup>141</sup>. Beijing navigates the murky politics of these countries to garner partners, take control, and protect its interests through diplomatic means, economic cooperation, and strategic alliances.

No matter how authoritarian or oppressive they might be popularly perceived, official politics in the country constitute one of the crucial aspects of Chinese diplomacy within the region. By avoiding the internal issues of other countries, Beijing's practice preserves its contact with diverse political systems <sup>142</sup>. China focuses on stability and teamwork and emphasizes mutual benefits instead of ideologies, thus displaying its dependable and pragmatic side within regional politics.

Chinese aid and investment are generally economic but political in some instances. Large-scale infrastructure projects and aid packages will build rapport and get a regional government in the books of good account <sup>143</sup>. In so doing, China ensures that it builds economic muscle and develops closer ties with different regimes supported by China's economic power. It can reciprocate this support for further growth and development.

Additionally, China's involvement in the internal politics of the Horn of Africa is strongly linked to its demand for resources such as oil, agriculture, and the mining sector. In most cases, Beijing's involvement borders on resource-sharing agreements and excavation concurrences

<sup>142</sup> Kalu, K. (2021). 'Respect' and 'agency' as driving forces for China–Africa relations.

<sup>&</sup>lt;sup>141</sup> Bazilian, M. D. (2018). The mineral foundation of the energy transition.

<sup>&</sup>lt;sup>143</sup> Knutsen, T., & Kotsadam, A. (2020). The political economy of aid allocation: Aid and incumbency at the local level in Sub Saharan Africa.

aimed at fostering economic alliances favorable to her concerns about foreign policies <sup>144</sup>. Doing this helps China remain a significant player in Asian politics by protecting its access to these vital resources.

However, other scholars argue that Chinese involvement in the internal affairs of Horn of African nations can undermine good governance, transparency, and sovereignty <sup>145</sup>. China's non-interference policy has always generated critiques for the inference it may have in support of authoritarian regimes with questionable humanitarian management and, as such, back up existing controls, thereby causing difficulties to existing human governance. <sup>146</sup>

China's realpolitik in regional affairs also connects with other global balances. Due to its growing influence, it meets other international forces with different interests in the Horn of Africa. This region provides an advantageous strategic position, rich natural resources, and maritime importance, making it a vital battlefield for great powers, hence complex political positioning. 147

However, the Chinese policy of non-interference poses some questions concerning the effectiveness of state institutions and the long-term stability of such areas in particular. Even as China continues its involvement in the politics of the Horn of Africa, it will always be an issue for analysis, affecting regionalism's politics and formulating geopolitical relations <sup>148</sup>.

An example of Beijing's calculated forays into the domestic politics of the Horn of Africa is Chinese involvement with internal affairs in Somalia using political processes as a case study. Focused on stabilizing, supporting peacebuilding, and expanding its power in East Africa, China

 $<sup>^{144}</sup>$  Martorano, B., Metzger, L., & Sanfilippo, M. (2020). Chinese development assistance and household welfare in sub-Saharan Africa.

<sup>&</sup>lt;sup>145</sup> de Coning, C. (2018). Adaptive peacebuilding. International Affairs, 94(2), 301–317.

<sup>&</sup>lt;sup>146</sup> Chen, C. C., Chen, X.-P., & Huang, S. (2013). Chinese Guanxi: An integrative review and new directions for future research. Management and Organization Review, 9(01), 167–207.

<sup>&</sup>lt;sup>147</sup> Qi, J. J., & Dauvergne, P. (2022). China's rising influence on climate governance: Forging a path for the global South.

<sup>&</sup>lt;sup>148</sup> Feldbaum, H., & Michaud, J. (2010). Health diplomacy and the enduring relevance of foreign policy interests.

turned to Somalia, a political turmoil arena, as well as a country plagued by violence and war over decades<sup>149</sup>. China's involvement in the political processes of Somalia was varied and involved diplomatic backing, capacity-building projects, plus peacekeeping support. The principle of non-interference in domestic affairs while pursuing stability and cooperation guided Beijing's involvement in Somalia politics.

China played a significant role in the state-building process in Somalia. In particular, China recognized and endorsed the legitimacy of FGS, facilitated its participation in international forums, and supported its role in state reconstruction and governance. In addition, China used its position on global platforms such as the United Nations to lobby for Somalia's cause and support peacebuilding initiatives. China-backed initiatives to address dialogue, the process of reconciliation, and political involvement for various parties in Somalia, including through internal discussions and fostering mutual agreement for peace.

However, China went ahead and became involved in the state-creation process of Somalia. Then, it was noted in Somalia that China trained a handful of its diplomatic officers and soldiers in Beijing. Efforts have been made to establish various capacities to enhance Somalia's institutional capability, improve the existing governance structure, and strengthen state-building. China also supported Somalia's post-war reconstruction and development through direct aid and infrastructure-focused projects<sup>150</sup>. These investments concentrated on the transport, communication, and energy sectors to strengthen the national economy as a foundation for social growth.

\_

<sup>&</sup>lt;sup>149</sup> Jessop, B. (2016). Territory, politics, governance and multispatial meta-governance.

<sup>&</sup>lt;sup>150</sup> Levitsky, S., & Way, L. (2002). Elections without Democracy: The Rise of Competitive Authoritarianism.

The involvement of China in Somali politics could have been rosier. Yet, the politics of Somalia were intricate and unpredictable, and remain difficult to be bridged for sustainable peace. Even the Chinese were ineffective internationally because of the complexity of Somali clannish politics, prevailing tensions, and insecurity. Further, China's commitment to non-interference and active engagement was challenging. The intricacy of Somali interrelations necessitated vigilance through which the countries would not be perceived as engaging in foreign intervention or domestic interference.

Some segments were skeptical and critical of China's participation in the country's political affairs. Critics questioned China's motivations toward engagement, whether it was indeed for promoting peace rather than serving China's interests, such as access to natural resources, raw materials, and lucrative markets. <sup>151</sup>

China's engagement also overlapped with larger geopolitics in the Horn of Africa. As Somalia is a valuable region geopolitically and economically, several global actors competed to influence Somalia's internal politics and external engagements. The Chinese assisted the Somali political process, indicating their desire to understand the regional geopolitics of the area, the Horn of Africa<sup>152</sup>. China sought to promote stability and support state-building efforts in Somalia by using its influence in diplomacy, capacity-building programs, and peacebuilding contributions.

<sup>&</sup>lt;sup>151</sup> Martorano, B., Metzger, L., & Sanfilippo, M. (2020). Chinese development assistance and household welfare in sub-Saharan Africa.

<sup>&</sup>lt;sup>152</sup> Chen, C. C., Chen, X.-P., & Huang, S. (2013). Chinese Guanxi: An integrative review and new directions for future research.

# II. 7. Influence Beyond Governmental Stability

China's interests in the Horn of Africa are not motivated by the desire for a stable government but delve into the intricacies of domestic politics in the region. Apart from engaging with some formal governmental structures, China specifically targets different stakeholders utilizing a multi-dimensional approach that entails diplomacy, investment, culture, and people-to-people contacts to strengthen its position and impact on the internal politics of the Horn of African states<sup>153</sup>.

China's different approach to this kind of diplomacy in various political actors within the Horn of Africa surpasses traditional acts. On this account, Beijing forms links with central government officials, governors, tribal groups, local elites, and other influencers. China has adopted a broad, engaging strategy that allows it to reach different sections of the population to understand local dynamics and influence different levels of government. China is mainly involved in developing peace in the Horn of Africa through mediation and dialogues amongst several factors within one country that ideally end up agreeing on a dispute 154. Beijing calls along diplomatic channels for all members of society to be involved in the political process towards multiparty and advocates for communal harmony amongst the different communities.

In this way, China tries to be economically beneficial by investing and giving aid in those areas that are important for national politics and can contribute to economic expansion, which will help consolidate influence<sup>155</sup>. To achieve this, China intends to enhance connectivity, boost the economy, and reduce ties with the local political elites through investments in infrastructure and healthcare issues. The approach makes China a body that links its economic interests with politics.

<sup>&</sup>lt;sup>153</sup> Kalu, K. (2021). 'Respect' and 'agency' as driving forces for China–Africa relations.

<sup>&</sup>lt;sup>154</sup> Vines, A. (2013). A decade of African Peace and Security Architecture.

<sup>&</sup>lt;sup>155</sup> Ibid.

Indeed, recently, in addition to the United Nations, China has been the first country in the world to provide direct humanitarian aid to Somalia, particularly since the terrible floods that hit the country last November, killing more than 150 people. China had already intervened twice in Somalia in 2023 to support the population and provide humanitarian aid. In 2021, the first Covid vaccines were delivered by China to the Somali population. Navigating Somalia's complicated politics without interfering proved to be a significant challenge for China, with critics scrutinizing and setting limits on its engagements within its territory.

Moreover, the Chinese economic agreements generally target China's partnership with domestic companies, developing mutually beneficial economic connections and guaranteeing stakeholders that back Beijing's policy actions. Joint ventures, trade agreements, and investment incentives foster a sense of financial dependency, giving China leverage over local politics.

Soft power influences on the Horn of Africa are culturally done in China. China uses educational exchanges, cultural programs, and media collaboration to promote favorable images and create good feelings. The cultural engagements seek to generate goodwill, develop contacts, and covertly convince people to accept Chinese ideas and policy stands.

Besides, China's participation in local politics includes issues of security engagement with external partners and defense affairs. Beijing works hand in hand with local governments in security, where it offers military assistance and provides courses in arms handling and technical support, among many others. <sup>156</sup> The collaboration that leads to peace helps to develop stability and strengthen ties between China and the local security apparatus that influences policies on security matters.

68

<sup>&</sup>lt;sup>156</sup> Varela von Heeren, F. (2022). China's FDI in Sub-Saharan Africa: What effects have the Chinese investments brought to the SADC region? [Bachelor's thesis, Universidad Pontificia Comillas].

However, China's involvement in local political matters raises criticism. Critics often ask whether China's non-interference policy with countries is meant to engage them without derogating their national interests and sovereignties or if the engagement cloak sees China bend others for its interests<sup>157</sup>. On the other hand, no conditionality accompanies China's investment and aid that may be detrimental to governance institutions, accountability, and overall sustainability.

China's intervention in local political practices of Horn Africa also intersects and coincides with a big power contest over control of that zone. Complicated relations or power struggles arise from competition among global powers and affect the region's domestic politics. In other rival groups and competing stakes, China's involvement in international affairs is highly articulated despite its interest motivation.

Its interests in the Horn of Africa go far beyond regime stability, involving diplomacy, trade, culture, and security at multiple scales <sup>158</sup>. China seeks its role in the region through delicate balancing and socializing efforts for peace and influence on domestic politics. The case of Somalia shows for instance, that, though complicated it is for China to find the balance between geopolitics and internal contexts within a weak state, like Somalia, the PRC can count on the Horn of Africa States to pursue its own politics in China and Taiwan. Actually, this year, last January 16<sup>th</sup>, the Somali Government reconfirmed its adherence to the One-China Principle <sup>159</sup>: a boon for national politics. However, non-interference in politics, criticism over China's economic activities in the

 $<sup>^{157}</sup>$  Horner, R., & Nadvi, K. (2017). Global value chains and the rise of the Global South: unpacking twenty-first century polycentric trade.

<sup>&</sup>lt;sup>158</sup> Levitsky, S., & Way, L. (2002). Elections without Democracy: The rise of competitive authoritarianism.

<sup>&</sup>lt;sup>159</sup> Embassy of the People's Republic of China in the Federal Republic of Somalia. China-Somalia Relations. Available from http://so.china-embassy.gov.cn/eng/zsgx\_1/202401/t20240116\_11224549.htm

area, and management of the delicate geopolitics affect China's shaping of regional political dynamics.

### II. 8. Strategic Interests and Actions in Somalia

It is an interesting example of the Chinese involvement in Somali politics arguably because it reinforces some facts on how the Asian giant interacts within the Horn of Africa. The fact that Somalia is a country that has experienced protracted war, weak governance, and political volatility makes it an easy target for China's diplomacy, trade relations, and peace-making, reflecting Beijing's wider regional dreams. Diplomatically, China is seen to be trying to stabilize Somalia and keep the diplomatic relationship<sup>160</sup>. China's policy has been steady in its diplomacy with the Federal government of Somalia (FGS) and other regional administrations<sup>161</sup>. China's diplomatic activities include conversation, consultation, and supporting the Somalia state building. China also acknowledges Somalia's sovereignty, promotes its involvement in international affairs, and supports the country's legitimacy at the world level.

In terms of economics, the Chinese presence in Somalia is demonstrated through the establishment of key infrastructure projects as well as development programs. China's infrastructure program covers port facilities, road, and communication sector projects <sup>162</sup>. For example, China Harbor Engineering Company (CHEC) built the international terminal for Mogadishu's Aden Adde Airport, which was meant to improve Somalia's transportation network. An additional example is China's involvement in constructing the port of Mogadishu to strengthen Somalia's connection to the economy and maritime trade.

<sup>160</sup> Becker, G. S. (2019). Investment in Human Capital: A Theoretical Analysis.

<sup>&</sup>lt;sup>161</sup> Feldbaum, H., & Michaud, J. (2010). Health Diplomacy and the Enduring Relevance of Foreign Policy Interests.

<sup>&</sup>lt;sup>162</sup> Ibid.

However, China's economic relations with Somalia are not restricted to the construction of physical networks but include trade accords, investment stimuli, and commercial alliances <sup>163</sup>. This is an attempt by China to reinforce its relationship with Somalia for the sole purpose of spurring its economy in tandem with Somalia's vision of achieving its economic targets.

There is Chinese engagement in Somali affairs, including cultural exchange and education support programs. The educational exchanges and scholarships China offers aim to promote interpersonal relations between Chinese and Somalis, among other benefits such as human resource development<sup>164</sup>. The initiatives mentioned above play an essential role in building capacity and promoting Chinese culture and values, which Somalis indirectly perceive.

China is keen on assisting Somalia's push towards improved security architecture, especially in security and defense cooperation. Beijing has rendered weapons, courses in combat, and technical assistance to Somali police<sup>165</sup>. Significantly, China's participation in peacekeeping endeavors through the AU Mission in Somalia (AMISOM) demonstrates its quest for regional stability and peacebuilding efforts in Somalia.

Nevertheless, there are some instabilities and complications that China engages in in the political arena of Somalia. An external actor like China can intervene in Somalia, but clan-based politics, internal conflicts, and a weak security environment hinder this. Regarding non-interference, a delicate balance must be made during dealings with Somalia's complex internal system.

<sup>164</sup> Chen, C. C., Chen, X.-P., & Huang, S. (2013). Chinese Guanxi: An integrative review and new directions for future research.

<sup>&</sup>lt;sup>163</sup>Callahan, W. A. (2012). Sino-speak: Chinese Exceptionalism and the Politics of History.

 $<sup>^{165}</sup>$  Martorano, B., Metzger, L., & Sanfilippo, M. (2020). Chinese development assistance and household welfare in sub-Saharan Africa.

China's role shall also concern broader geopolitical contests and competition with principal global states. For the outside world, Somalia holds a strategic value based on location, natural endowment, and sea power that draws in various external actors to contribute to Somalia's internal problems and international exchanges <sup>166</sup>. Critics always doubt whether these Chinese intentions are designed for geopolitical interests alone or if some have links with the mission of building peace in Somalia. It is, therefore, highly questionable whether China's investment and assistance help in good governance and accountability mechanisms to sustain them over time, especially in Somalia's failed state.

China's intervention in Somali internal affairs attests that local politics, geopolitical wars, and fragility are pertinent issues in national strategies. Consequently, in the future, China's involvement in Somalia will need to strike a delicate balance between economic-diplomatic engagement and peacebuilding activities in addressing security issues and be cautious about being alive to the diverse political environment characterized by peace and instability. The story of China in Somalia is only a small example of the inside look into and subtleties of broader engagement in the region, discussing the difficulty of managing such delicate politics within conflict-ridden countries.

China's involvement in the Horn of Africa goes beyond Somalia and spans different ways of influencing politics in countries such as Ethiopia and Djibouti <sup>167</sup>. This is because the region's geopolitics significance, strategic point, and access to vital waterways make it the center of the Chinese multifaceted, wherein it contains diplomatic maneuvers, economic investment, and security.

\_

<sup>&</sup>lt;sup>166</sup> Kalu, K. (2021). 'Respect' and 'agency' are driving forces for China–Africa relations. Place Branding and Public Diplomacy, 17(4), 336–347.

<sup>&</sup>lt;sup>167</sup> Chen, C. C., Chen, X.-P., & Huang, S. (2013). Chinese Guanxi: An integrative review and new directions for future research.

In one of the Horns' central regions—Ethiopia – there is a huge Chinese presence in social life. From China to Ethiopia, there are regular head-of-state visits, multiple signed agreements, and diplomatic exchanges. The involvement of Ethiopia in the Belt and Road Initiative highlights the economic partnership between the two countries, demonstrating China's support for the expansion of Ethiopia's infrastructure and development towards a growing economy.

The economic aspect of the Chinese involvement in Ethiopia focuses on massive investments in the construction sector. Beijing's capital investments emphasize infrastructure development comprising road networks, railways, communication lines, and industrial parks. The construction of the Addis Ababa-Djibouti railway, an emblematic undertaking, shows that China is willing to facilitate interconnections among countries in one region and make those trade paths convenient for Ethiopia and Djibouti.

Additionally, China's economic relations with Ethiopia involve agricultural cooperation, factories, and joint ventures corresponding to the country's objectives of building a solid economy. The investments of China within industrial zones manufacturing industries support Ethiopia's economic diversification and job creation.

An overwhelming influence and vital investment in Djibouti China engagement characterize it. Diplomacy-wise, China's relations with China have been excellent, taking advantage of its economic and military power. China's first overseas military base is in Djibouti, demonstrating China's growing strategic foothold in the region<sup>168</sup>. Such a naval base gives China a key beachhead in the Gulf of Aden and improves its blue water capacities. Regarding the economy, China's participation in Djibouti mainly focuses on big infrastructure projects such as the Doraleh Multipurpose port and the China-Djibouti free trade zone. The projects are intended

<sup>168</sup> Martorano, B., Metzger, L., & Sanfilippo, M. (2020). Chinese development assistance and household welfare in sub-Saharan Africa.

73

to turn Djibouti into a regional marketplace for trade and logistics through which China connects with Africa and enhances bilateral trade relations <sup>169</sup>.

Besides Ethiopia and Djibouti, this can be seen through diplomacy, economic connections, and cultural interactions with other states within the Horn of Africa. Diplomatically, they remain present and talk with many regional governments – trying to promote calm and develop shared understanding <sup>170</sup>. China's economic investments span different areas, such as the energy sector, communication, and the construction of new infrastructure in the Horn of Africa. For example, its involvement in Sudan's oil and gas industries and southern Sudan has contributed to these countries' economic growth, helping Chinese resource retrieval strategies and economic partnership strategies.

China partners with the region in security cooperation. Those countries that participate in peacekeeping missions in the areas are involved<sup>171</sup>. This shows how it promotes peace and security in the region by participating in peacekeeping operations. China has a culture of educational programs and people-to-people interaction, which it promotes. Such aggregate programs as scholarships, cultural programs, or academic exchanges promote mutual attitudes toward each other's culture.

However, China's presence in the Horn of Africa has also attracted its critics and brought numerous problems. China is said to have strayed away from transparency, green consciousness, and financial stakes. Some critics argue that the risks may include involuntary reliance of the

<sup>169</sup> Tang, X. (2021). Coevolutionary pragmatism: Approaches and impacts of China-Africa economic cooperation. Cambridge University Press.

<sup>170</sup>Qi, J. J., & Dauvergne, P. (2022). China's rising influence on climate governance: Forging a path for the global South. Global Environmental Change, 73.

74

<sup>&</sup>lt;sup>171</sup> Kalu, K. (2021). 'Respect' and 'agency' as driving forces for China–Africa relations.

regional economy on Chinese investors and potential disruption in local politics and governance <sup>172</sup>. One of the prevailing problems that also make geopolitics with the Horn of Africa is grounded on China's presence in this region going under broader patterns and tensions involving global power competition. <sup>173</sup> It also affects other intergovernmental efforts that are political, economic, and cultural. China hopes to develop its influence in the region through diplomacy, economics, security, and culture. Nonetheless, the issues of transparency, sustainability, and geopolitical complexities are impossible for China's influence in politics within the Horn of Africa.

China's multifaceted interventions in such countries as Somalia, Ethiopia, and Djibouti aim to strengthen its position in the Horn of Africa and support its political processes. China is engaged in such talks and bilateral pacts on stability, economic cooperation, and win-win with Ethiopia Djibouti diplomatically<sup>174</sup>. Therefore, involvement in Somalia underscores the support for a legitimate and functional government and stresses its sovereign character. In Ethiopia's case, Chinese infrastructure investment in Africa is appalling as it is gradually expanding. China's investments primarily target strategic investments in ports and airport infrastructure development alongside articulations with regions within Somalia. Investments of this kind, however, are also troubling because of their effect on the local economies' systems, administrative structures, and all those countries' potential indebtedness.

The next dimension of China's involvement is security cooperation. China began stabilizing waters by deploying forces in the Horn of Africa for a peacekeeping mission. Cultural exchange and education for the people would enlighten them on ways of understanding between

<sup>172</sup> Qi, J. J., & Dauvergne, P. (2022). China's rising influence on climate governance: Forging a path for the global South.

<sup>&</sup>lt;sup>173</sup> Varela von Heeren, F. (2022). China's FDI in Sub-Saharan Africa: What effects have the Chinese investments brought to the SADC region?

<sup>&</sup>lt;sup>174</sup> Heibach, J. (2020). Sub-Saharan Africa: A Theater for Middle East Power Struggles.

the present-day countries within the region. The affairs in the Horn of Africa have been so complex for engagement on transparency, sustainability, and geopolitical issues.

China's involvement in the Horn of Africa can be seen as a comprehensive strategic effort that includes diplomatic, economic, security, and cultural components. China's diverse engagements in Somalia, Ethiopia, and Djibouti and through the region reflect its attempts to build up influence, encourage stability, and promote development in a challenging political landscape amidst global competition.

Cultural exchanges and educational activities further strengthen China's work to promote mutual understanding and cooperation. Cultural exchanges and educational programs are two integral parts of China's contribution to advancing mutual understanding and cooperation on the Horn. They encourage closer people-to-people contacts, promote cultural exchange, and strengthen bilateral relations between China and the countries in this region.

The Chinese approach involves establishing channels through educational exchanges, scholarships, and cultural programs to promote the exposure of their people. These programs enable the exchange of valuable knowledge and skills but also help foster an atmosphere that encourages understanding across different cultures. Investing in educational opportunities and cultural interaction aims to create bridges between societies, foster person-to-person contacts, and develop goodwill among the peoples of China and the Horn.

Aside from educational value, these kinds of cultural exchanges will also place Shanghai's vitality in the larger story about China as a promoter of mutual aid and regional cooperation. China wants to establish through these cultural links a legacy of lasting friendship between the various cultures worldwide, not just based on geostrategic considerations.

In fact, China's involvement in the Horn of Africa could be described as a total strategic undertaking that embraces diplomacy, economic security, and cultural aspects. China's many engagements in Somalia, Ethiopia, and Djibouti, for example, and the Horn of Africa, more generally, are efforts to consolidate influence, promote stability, or foster economic development. All this occurs within a regional political environment against the backdrop of increasing global competition.

China has established friendly relations with all the governments of the Horn, which stress cooperation and common interests by free agreement. High-level exchanges with Ethiopia and Djibouti have focused on economics, infrastructure, and contacts. So, China is promoting an inclusive, legitimate, and non-interfering form of state building in Somalia.

In economic terms, investments seek to increase regional transportation links and stimulate growth. Although these investments represent potential growth opportunities, there are also many transparency problems and worries about sustainable development and cross-border debt that affect local economies.

China's security concerns are also key features of its policy, as seen in its involvement in peacekeeping operations and the establishment of a Chinese military base in Djibouti last year. This military presence will reinforce China's maritime strategy, maintain regional stability, and show the strategic intent in this Red Sea area. Cultural exchanges and educational activities also complement tremendous efforts to enhance mutual understanding and cooperation between China's people.

China's actions in the Horn of Africa have met with justified concerns regarding transparency, sustainability, and the impact on local economies and laws. There is a need to examine and address these concerns. For example, economic cooperation has been a source of

opportunities, but doubts still need to be made about the long-range impact on China's policies. Debt sustainability, levels of governance transparency, and possible repercussions for local markets are all key concerns. The criticism goes beyond economic factors to question China's long-term ambitions, geopolitical reasons, and its decision between promoting regional stability or short-term advantage. After all these Chinese activities have passed, the question of lasting effects addresses the intellectual needs spurred by their occurrence. It carries a set of issues relating to local development paradoxically linked to balancing geopolitical interests in the Horn.

### **Chapter III**

#### Impact of China's Presence in the Horn of Africa

Critics of China's presence in the Horn of Africa focus on its desire to gain a strategic and geopolitical advantage over its rivals. However, Chinese investors and government members have been largely benevolent towards their partners in the Horn of Africa. This is because China's government has focused on practicing a form of diplomacy that contrasts with colonialists' practices in past eras.

The impact of China's presence in the Horn of Africa can be divided into economic and geopolitical terms. As a continent, Africa possesses the most developing countries in the world. This means African nations need outside assistance to realize their strengths and work towards their highest potential. China's presence in the African continent is not 100% altruistic, as the Asian nation profits greatly from its projects in various sub-Saharan African locations. However, the Chinese government's method of entering the Horn of Africa and the economic markets within the region differs strongly from the colonialists it has been compared to in the past.

China's economic and diplomatic activity is defined by its encouragement and reliance on the voluntary participation of its allies. China's empowerment of countries in the Horn of Africa has improved the long-term prospects of many governments in the region, as the soft power generated by some Belt and Road Initiative projects has drawn the attention of China's historic rivals.<sup>176</sup> This increase in power has led some African countries to side with China on

<sup>&</sup>lt;sup>175</sup> Vinicius de Freitas, M. (2023). *The impact of Chinese investments in Africa: Neocolonialism or cooperation?* Policy Center for the New South.

<sup>&</sup>lt;sup>176</sup> Ibid.

every political issue since they recognize the long-term benefits of aligning themselves with an emerging global power that has already allocated plenty of resources to the continent. 177

China has invested heavily in the region's economies, completed multiple large-scale infrastructure projects, and provided loans, grants, and other forms of financial, economic, and developmental aid to countries within the African continent. China's influence as a significant financial partner for African countries has produced positive impacts lasting for generations. For example, China granted African governments and businesses improved access to capital and created more job opportunities in the region. The Chinese government has also designed multiple programs meant to address or work around the unsustainable debt levels in countries like Djibouti, Kenya, and Zambia, which limit their financial autonomy in the face of pressure from China. There is also the potential for exploitative labor practices, which could be detrimental to the local economies and societies of the countries in the region. China has sought to exert influence in the region through its economic activities and to develop political relationships with the nations. This promotes its interests, which could have a perceived destabilizing effect.

Thus, this chapter discusses the impacts of China's economic and geopolitical activities in the Horn of Africa in deeper detail. Chapter II highlighted China's strategic interests in the Horn of Africa. This included the identification of the numerous economic and geopolitical opportunities China has within the Horn of Africa. These opportunities have enriched Chinese businesses and will continue to provide advantages for the country. However, China's presence in the Horn of Africa is not parasitic in nature. To explain this, the ramifications of China's actions will be

\_

<sup>&</sup>lt;sup>177</sup> Mohseni-Cheraghlou, A. & Aladekoba, N. (2023). China in Sub-Saharan Africa: Reaching far beyond natural resources. Atlantic Council Geoeconomics Center, 15.

<sup>&</sup>lt;sup>178</sup> Vinicius de Freitas, M. (2023). The impact of Chinese investments in Africa: Neocolonialism or cooperation?, 5

explored, and the implications of the identified impacts will be discussed in more detail at the end of the chapter.

Unlike Chapter II, this chapter will not isolate individual African countries and discuss China's investments in them at length. China's activities in the entire region must be profiled to get the best look possible at its current impact. To explain how China's impact can be sufficiently measured, a section dedicated to the qualitative metrics scholars can use to complete such a task, will also be included. Once these metrics of measurement are established, conclusions based on these metrics will be made. After this, criticisms that can still be made about China's impact in the Horn of Africa will be covered as well.

#### III. 1. China's Economic Impact in the Horn of Africa

China's impact in the Horn of Africa can be seen through the former's investment in the latter's human resources. While Chinese investors have dedicated enormous amounts of capital to stable industries like energy and transportation <sup>179</sup> investors from China have also dedicated resources towards the education of African citizens. This was done to give young Africans the skills needed to be more employable at home and abroad. According to a news report by the Chinese State Council, China's Tianjin University of Technology and Education and Ethiopia's Technical and Vocational Training Institute signed an agreement to develop programs that improve students' technology skills. <sup>180</sup> These programs will leverage workshops to deliver

<sup>-</sup>

<sup>&</sup>lt;sup>179</sup> Mohseni-Cheraghlou, A. & Aladekoba, N. (2023). *China in Sub-Saharan Africa: Reaching far beyond natural resources* 

<sup>&</sup>lt;sup>180</sup> Chinese, Ethiopian education institutions agree to promote skills development in technology. (2023, December 7). The State Council of the People's Republic of China.

knowledge to Ethiopian students and provide hardware to practitioners who need it to improve their work in the field.

Other news stories show that China also wants to impact the most distressed economies in the Horn of Africa. In another article, the Chinese State Council reported that six African countries will receive zero-tariff treatment so they can build profitable relationships with the Chinese market. This zero-tariff treatment is a tangible show of the Chinese government's interest in building beneficial partnerships with every sub-Saharan African country. It highlights its desire to impact the region using diplomatic policy and economic skills.

China's economic impact in the Horn of Africa can be seen by examining its Belt and Road Initiative. The Horn Economic and Social Policy Institute (2020) writes that the Belt and Road Initiative led China to become Africa's biggest economic and trading partner. The "depth and breadth" of China's engagement with Africa set it apart from other nations and regions that claimed to be interested in the continent's economic success and long-term future. China's economic efforts have led to over \$200 billion of trade between the nation and the African continent and lowered unemployment rates in multiple countries. Mohseni-Cheraghlou and Aladekoba (2023) write that the Belt and Road Initiative is especially prevalent in seaport countries. This is because countries with seaports have economic opportunities that landlocked countries do not. Rothers BRI projects in African countries with seaports received around \$131

-

<sup>&</sup>lt;sup>181</sup> Xi pledges firm support to Republic of the Congo for national independence. (2023, August 25). The State Council of the People's Republic of China.

<sup>&</sup>lt;sup>182</sup> Horn Economic and Social Policy Institute. (2020). *Cooperation between China and the Horn of Africa: In the context of FOCAC and Belt & Road Initiative.* 

<sup>&</sup>lt;sup>183</sup> Ibid.

<sup>&</sup>lt;sup>184</sup> Mohseni-Cheraghlou, A. & Aladekoba, N. (2023). *China in Sub-Saharan Africa: Reaching far beyond natural resources*.

<sup>&</sup>lt;sup>185</sup> Ibid.

million more in funding than projects dedicated to landlocked nations. <sup>186</sup> Despite this significant difference, China has still taken a notable interest in landlocked countries with developing economies that do not have a stable long-term direction. China has also expressed its support for nations receiving constant criticism from nations in the West and international organizations that want to change how developing nations in the Horn of Africa govern themselves and handle domestic issues.

China's interest in seaport countries may come from its interest in countries' natural resources. Natural resources in the Horn of Africa include underutilized oil reserves and gas reservoirs. Mohseni-Cheraghlou and Aladekoba (2023) write that China invested around \$105 billion in the African energy sector between 2006 and 2020. 187 These investments are part of China's long-term efforts to ensure African nations have consistent access to safe energy for the foreseeable future. 188 This is necessary since some African governments have struggled to maintain the strength of their economies and find industries that can anchor them as they become developed nations. 189

The Horn Economic and Social Policy Institute (2020) writes that African countries generally perceive the growth of China as an economic power in a positive manner. African forums and groups willingly allowed China into the continent's borders so it could infuse much-needed capital and knowledge into African economies. <sup>190</sup> Indirectly, China's investments encouraged stable countries to maintain their advantages over others in the continent. Chinese businesses tended to show more interest in markets that showed favorable probabilities of producing

<sup>&</sup>lt;sup>186</sup> Ibid.

<sup>&</sup>lt;sup>187</sup> Ibid.

<sup>&</sup>lt;sup>188</sup> Ibid,

<sup>&</sup>lt;sup>189</sup> Horn Economic and Social Policy Institute. (2020). *Cooperation between China and the Horn of Africa: In the context of FOCAC and Belt & Road Initiative*.

<sup>&</sup>lt;sup>190</sup> Ibid,

dividends. Djibouti, Ethiopia, Kenya, and Uganda are four African nations that have received substantial Chinese investment in the past. These nations developed industrial parks, dams, highways, and other large-scale infrastructure that benefitted them in multiple ways. 191 The diversity of these projects' dividends shows that the fortification of the African economy can deliver results other global powers have said they wanted in the African continent for decades.

China's State Council Information Office (2021) writes that actual results and sincerity guide its African continent and economic activities. 192 China's focus on friendship has helped it approach economic investments from the vantage point of an ally who wants to help its target markets first and receive financial profits later. <sup>193</sup> In its white paper, the State Council Information Office portrays its economic and diplomatic activities as a pursuit of mutual interests within the continent. 194 African countries and groups are able to do business with China while understanding the nation is not looking to force its ideologies or diplomatic objectives on African nations. This means large-scale projects are done with the knowledge that they will lead to widespread benefits and lucrative business opportunities.

China's State Council Information Office (2021) writes that China's economic efforts in Africa will expand at a rapid pace moving forward. 195 China's previous efforts led to a wide array of grants and interest-free loans being provided to the continent and hundreds of roads, schools, sports venues, and power facilities being created across the continent. Along with this, China's

<sup>&</sup>lt;sup>191</sup> Mohseni-Cheraghlou, A. & Aladekoba, N. (2023). China in Sub-Saharan Africa: Reaching far beyond natural

<sup>&</sup>lt;sup>192</sup> The State Council Information Office of the People's Republic of China. (2021). China and Africa in the new era: A partnership of equals. XinhuaNet.

<sup>&</sup>lt;sup>193</sup> Ibid.

<sup>&</sup>lt;sup>194</sup> Ibid.

<sup>&</sup>lt;sup>195</sup> Ibid.

State Council Information Office claims it trained over 160,000 people while aiding the continent's diplomatic endeavors. 196

The accomplishments mentioned above, investments, and services positively impacted China's trade relationship with the African continent and the volume of activity it has performed inside the region. The State Council Information Office's (2021) data shows that China's trade rate in Africa is about to rise despite the country already being the Horn of Africa's largest trading partner. One reason is China's history of establishing funds and other financial initiatives dedicated solely to the African continent.<sup>197</sup> The Africa Growing Together Fund was established in 2014 by the People's Bank of China and the African Development Bank. Since its establishment, the fund has spent \$1.14 billion on agriculture, water supply and sanitation, and energy projects. <sup>198</sup> Africa Growing Together Fund is one of many, and the financial instruments China created provide a tangible paper trail for scholars and critics to use when researching how China's presence and activity in the Horn of Africa have financially benefited Africans.

China's interest in doing business in Africa impacted the price of materials and resources inside Africa. 199 This is one explanation for the rising dollar figures attached to China's trading value and activity in the region. African consumers benefited from the new business their local markets generated despite declining opportunities for local producers. Despite this decline in opportunities, many African leaders appreciated the Chinese's simplistic approach to foreign market entry. According to one leader, Chinese business people made their interests known and proceeded to work on them without asking for anything else in return. 200 The lack of preliminary

<sup>196</sup> Ibid.

<sup>&</sup>lt;sup>197</sup> Ibid.

<sup>&</sup>lt;sup>198</sup> Ibid.

<sup>&</sup>lt;sup>199</sup> Zafar, A. (2007). The growing relationship between China and Sub-Saharan Africa: Macroeconomic, trade, investment, and aid links. *The World Bank Observer*, 22(1), 103-130.

<sup>200</sup> Ibid.

conditions allowed African countries to stimulate their economies for free as Chinese companies gathered their bearings and began creating partnerships while gaining market share.

As highlighted in Chapter II, Chinese businesses' entrance into the African economy was vital because it helped modernize many developing countries' way of life and business. Before China's aggressive economic growth inside the Horn of Africa, many countries' economies were based on agriculture and maritime goods. This prevented nations in the Horn of Africa from doing business with international partners in growing industries that required re-skilled human capital and access to other industrial resources and technology. Over time, the success and proliferation of Chinese investments helped some developing countries' economies create new policies that used Chinese businesses' success as a foundation for future activities.<sup>201</sup>

Regardless of China's massive economic success in the Horn of Africa, some still see the Chinese government's investment in Africa as a novelty. Despite this, academic research on China's presence in the Horn of Africa has been performed by think tanks and authors who believe the Asian country's work in the region sets a template for future economic and geopolitical activity. Murphy's (2022) research on China's presence in the Horn of Africa discusses the historical reasons for the country's entrance into the sub-Saharan African region and the international implications of such an endeavor. While this paper aims to do the same, Murphy's work focuses on a broader range of history and then discusses the effects of China's actions. Still, Murphy's book shows the influence of China's activity in the Horn of Africa, as the seemingly novel investments it has made in the Horn of Africa are beginning to draw attention from

<sup>201</sup> Ibid.

<sup>&</sup>lt;sup>202</sup> Ibid.

<sup>&</sup>lt;sup>203</sup> Ibid.

<sup>&</sup>lt;sup>204</sup> Murphy, D. C. (2022). *China's rise in the global south: The Middle East, Africa, and Beijing's alternative world order*. Stanford University Press.

institutions and scholars who otherwise would pay attention to China's rivalries with other global powers.

#### III. 2. China's Geopolitical Impact in the Horn of Africa

In 2023, Chinese President Xi Jinping released a statement that expressed support for the Republic of the Congo's quest for national independence and the opposition to foreign interference. <sup>205</sup> The Republic of the Congo gained this support from China's president because it proved its past loyalty to the Chinese government. <sup>206</sup> This past diplomatic work gives the African country a powerful ally to lean on during times of distress and conflict with its international rivals. This could be one of the most considerable impacts of China's presence in the Horn of Africa, as it gives the region a premier partner that openly criticizes the lack of investment and the impacts other global powers have made inside the country.

Murphy (2022) writes that China's involvement in the Horn of Africa is a decades-old affair that was partially started because the Chinese government wanted to compete more against the United States. <sup>207</sup> As China grew as a global power, its relationship with numerous states inside a continent rich with human and natural resources gave it a strategic advantage few other nations were able to tap into. Murphy writes that American media platforms heavily criticize China's growth in the Horn of Africa. However, this criticism is likely to stem from China's successful leverage of its historical economic activity in the region, as Chinese merchants and politicians have been able to gain footing in the continent since the days of the Silk Road. <sup>208</sup>

 $<sup>^{205}</sup>$  Xi pledges firm support to Republic of the Congo for national independence. (2023, August 25).

<sup>&</sup>lt;sup>206</sup> Ibid.

<sup>&</sup>lt;sup>207</sup> Murphy, D. C. (2022). China's rise in the global south: The Middle East, Africa, and Beijing's alternative world order.

<sup>&</sup>lt;sup>208</sup> Ibid.

In the Mao era, China also supported many African countries' quests for independence as they formed anticolonial and pro-liberation groups throughout the continent. <sup>209</sup> While colonialism no longer exists, China's focus on helping developing countries in Africa also aids those who do not receive financial or political assistance from their former colonizers. Since the turn of the 21st century, China has contributed to the development of the United Nations peacekeeping forces in the Horn of Africa, the establishment of naval bases in sub-Saharan African countries, and the creation of two regional organizations that will work towards the geopolitical and economic growth of countries in the Horn of Africa and the Middle East/North Africa region. <sup>210</sup>

The activities above concisely describe the long and diverse list of political activities China has initiated in the Horn of Africa region. Murphy's (2022) book provides a detailed look into China's military, business, and diplomatic activities over time. <sup>211</sup> As China's influence and impact in the Horn of Africa grows, the former will gradually increase as an international power that has the ability to leverage its numerous alliances in the African continent to develop its domestic interests in energy, transportation, natural resources, education, and politics. Murphy predicts that the gradual collapse of the United States and China's diplomatic relationship will eventually cause China to lean on its African friends even more. <sup>212</sup> This is why the billions of dollars China spent on its economic positioning in the Horn of Africa will have lingering impacts that benefit its current partners and diminish the power of its Western rivals.

Vinicius de Freitas (2023) writes that critics of China's involvement in the Horn of Africa cite the nation's use of debt-trapping and tools that increase the continent's reliance on Chinese

<sup>209</sup> Ibid.

<sup>210</sup> Ibid.

<sup>211</sup> Ibid.

<sup>212</sup> Ibid.

businesses and resources.<sup>213</sup> Critics also claim that corruption in African governments has increased since China established itself within the region as a source of consistent political and economic support.<sup>214</sup> However, China has not forced its political ideologies on African countries. It has developed an economic and diplomatic presence.<sup>215</sup> News reports from China's State Council list the longstanding relationships African countries created with the Chinese government of their own volition.<sup>216</sup> In the Republic of the Congo's case, a relationship with China's government was fostered over six decades.<sup>217</sup> The Chinese government expressed an interest in holding a joint celebration to mark the 60th anniversary of the two countries' bilateral relationship and pledged to continue cooperating with the Republic of the Congo for the foreseeable future.<sup>218</sup>

The voluntary nature of China's relationship with African governments shows that it may not engage in the neocolonialism some critics accuse. Vinicius de Freitas (2023) writes that many critics believe China developed a presence in Africa so it could have access to all its natural resources. <sup>219</sup> By practicing an indirect form of colonialism, China could make any request it wanted or, even worse, strong governments that were indebted to China via the acceptance of multiple loans or diplomatic and strategic assistance. <sup>220</sup> Nations with weak political structures are most susceptible to these adverse outcomes. Still, the Chinese government has repeatedly promised never to monopolize resources or place its African allies in precarious situations. <sup>221</sup>

\_

<sup>&</sup>lt;sup>213</sup> Vinicius de Freitas, M. (2023). The impact of Chinese investments in Africa: Neocolonialism or cooperation? <sup>214</sup> Ibid.

<sup>&</sup>lt;sup>215</sup> Ibid.

<sup>&</sup>lt;sup>216</sup> Chinese, Ethiopian education institutions agree to promote skills development in technology. (2023, December 7)

<sup>&</sup>lt;sup>217</sup> Xi pledges firm support to Republic of the Congo for national independence. (2023, August 25).

<sup>&</sup>lt;sup>218</sup> Ibid

<sup>&</sup>lt;sup>219</sup> Vinicius de Freitas, M. (2023). The impact of Chinese investments in Africa: Neocolonialism or cooperation? 
<sup>220</sup> Ibid

<sup>&</sup>lt;sup>221</sup> Ibid.

Another sign of China's avoidance of neocolonialist behavior is its efforts to improve the African continent's soft power and ability to negotiate with other nations and international blocs. Vinicius de Freitas (2023) writes that China's investment in African infrastructures has happened without guaranteed success in many nations.<sup>222</sup> Despite this, China's activities on the continent gradually led to its becoming its largest trading partner through its numerous projects, initiatives, and long-term relationships. This is a significant trend to recognize since it shows that China's prosperity in the African continent occurred because it correctly approached things. This correctness is rooted in disappointing experiences with European colonialism in the past and a desire to approach its relationship with less powerful countries differently.<sup>223</sup> The Belt and Road Initiative is flexible to the needs of local governments and the sectors they need to develop for their long-term prosperity. <sup>224</sup> This means Chinese investors are disincentivized to engage in debttrapping and other unethical activities since China would not receive its dividends from African projects. This logic proves that the country's geopolitical impact in the Horn of Africa is rooted in a desire to gain power through ethical means and the growth of the African continent's multiple developing nations.

Mohseni-Cheraghlou and Aladekoba (2023) write that Russia's 2022 invasion of Ukraine allowed China to become the largest arms dealer in Africa.<sup>225</sup> Currently, China has a favorable business relationship with the Nigerian security sector (Mohseni-Cheraghlou & Aladekoba, 2023). This relationship is bound to grow as business with Russia becomes a more controversial activity. China's presence within the African continent prevents Western critics from influencing how

\_\_\_

<sup>&</sup>lt;sup>222</sup> Ibid.

<sup>&</sup>lt;sup>223</sup> Ibid.

<sup>&</sup>lt;sup>224</sup> Ibid.

<sup>&</sup>lt;sup>225</sup> Mohseni-Cheraghlou, A. & Aladekoba, N. (2023). *China in Sub-Saharan Africa: Reaching far beyond natural* 

African governments and merchants view Chinese investors. However, the global backlash against Russia gives China an opportunity to grow even more within Africa because merchants in the continent will be able to separate themselves from arms dealers based in Moscow and elsewhere. <sup>226</sup>

As the Chinese government continues providing an alternative for security companies, it also possesses the leverage to increase its military presence in Africa. <sup>227</sup> This impact will gradually lead to coastal African nations having a longtime ally to provide protection during hostile moments. China's growing number of naval bases in the continent also gives the Asian nation a chance to compete against the United States and its international military presence. <sup>228</sup> As aforementioned, the United States is a major power that has not dedicated as much attention to the Horn of Africa as China. China has criticized military coups in Guinea while also blocking the United Nations Security Council from levying extra sanctions on Mali because of their coups. <sup>229</sup> These examples are proof of China's desire to act as a political ally for the entire African continent. The diplomatic manifestations of this desire have protected multiple African administrations from the criticism of Western actors. As such, China has positively impacted the independence and domestic agency of the continent's developing nations.

China's State Council Information Office (2021) states that China has always treated Africa like its equal during diplomatic and economic interactions. <sup>230</sup> As the Chinese government works to advance the country to new heights, it claims it wants to take the African continent with it by establishing relationships with the African Union and scheduling meetings with African

<sup>226</sup> Ibid.

<sup>&</sup>lt;sup>227</sup> Ibid.

<sup>&</sup>lt;sup>228</sup> Ibid.

<sup>&</sup>lt;sup>229</sup> Ibid.

<sup>&</sup>lt;sup>230</sup> The State Council Information Office of the People's Republic of China. (2021). *China and Africa in the new era: A partnership of equals.* 

leaders from various political parties and countries.<sup>231</sup> China's meetings with various African leaders have legitimized their administrations and ensured they are respected by Westerners and other governments that previously ignored the diplomatic agency of nations in the Horn of Africa. China's State Council Information Office writes that the Chinese government created bilateral agreements with multiple African states and has strived to formalize the China-Africa partnership in other ways.<sup>232</sup> China and the African Union have established methods to pursue and discuss human rights and bring local governments into the fold.<sup>233</sup> This work allowed African states and political parties to make public statements on the international stage while combating COVID-19 and advocating for other efforts that would benefit the continent, China, and the world if outsiders bought into African nations' objectives and goals.<sup>234</sup>

## III. 3. Implications of China's Economic and Geopolitical Impact in the Horn of Africa

In Chapter I, China's interests in the global south were discussed. This discussion mentioned that China initially desired the global south's natural resources. However, the Chinese government recognized the other opportunities within the region when examining the new markets in which it could launch its products and services. In the present day, the Horn of Africa has grown to become the Chinese economy's most lucrative market. China's need to diversify its customer base was met with the interest of African leaders who wanted to grow their economies but lacked the knowledge and capital to do so.

<sup>232</sup> Ibid.

<sup>&</sup>lt;sup>231</sup> Ibid.

<sup>&</sup>lt;sup>233</sup> Ibid.

<sup>&</sup>lt;sup>234</sup> Ibid.

China's Belt and Road Initiative is a multifaceted strategy that works towards establishing an economic presence in developing areas while also positioning China for geopolitical strength. China's ambition to build a corridor from Asia to Africa to Europe requires the cooperation of multiple parties, and the guarantee that the business ventures started in the corridor will pay dividends. As of now, China's investments in the Horn of Africa have delivered the financial profits needed to justify China's continued presence in the region. Unfortunately, Western skeptics of the Chinese's true motives for being in Africa are blocking China from establishing itself in the other areas.

Research highlights the West's skepticism of China's work in the Horn of Africa. 235
Despite other powers' lack of interest in the region, China's investment in the Horn of Africa has not created a positive reputation as an innovator. The lack of praise surrounding China's presence in that area shows signs that the country will be unable to make strides in Western markets due to geopolitical differences. One of these geopolitical differences is China's rising military presence in the Horn of Africa. As mentioned in an earlier section, Russia's invasion of Ukraine allowed Chinese security and weapons companies to sell their wares to countries that relied on Russian manufacturers and vendors to supply them with the weaponry needed to protect themselves. China's provision of security services and products seems natural since multiple Belt and Road Initiative projects have improved African nations' infrastructures. Protecting these infrastructures is something China should also be invested in since Chinese companies and human talent will be able to call more African markets home sooner rather than later.

<sup>&</sup>lt;sup>235</sup> Vinicius de Freitas, M. (2023). The impact of Chinese investments in Africa: Neocolonialism or cooperation?

China's provision of weapons and other resources has improved its relationships in the Horn of Africa. Before, China's investment was primarily economic. 236 Now, China's security activities have shown African allies and partners that China is willing to expend numerous resources to protect its investments and provide critical support to developing African nations that cannot develop and deploy immense armies themselves. As an emerging power protecting developing nations in a different continent without the expectation of payment, China is eventually positioning itself to receive praise from the international community. Political differences between corrupt African administrations and diplomatic countries in the West may be smoothed over by many African political parties' ability to work together when advocating for eradicating global disasters like COVID-19.

Vinicius de Freitas's (2023) research discussed debt-trapping and how China is not guilty of unethical lending accusations against it.<sup>237</sup> The literature review in Chapter I highlighted China's Beijing Consensus and how it was meant to be a direct counter to the United States' Washington Consensus. Multiple publications from China's State Council express a proactive strategy of altruism and friendship towards African nations. The Washington Consensus' focus on democracy and human rights does not differ from China's practical approach in the Horn of Africa region. China's fluid entry into African markets and sectors shows that the Chinese government is not interested in using force to complete any African endeavors. Skeptics reject this idea despite the Chinese government celebrating decades-long relationships with African countries and their governments. This leads to one of the most prominent implications of China's economic and geopolitical presence in the Horn of Africa: the growth of China's soft power.

2

<sup>&</sup>lt;sup>236</sup> Zafar, A. (2007). The growing relationship between China and Sub-Saharan Africa: Macroeconomic, trade, investment, and aid links.

<sup>&</sup>lt;sup>237</sup> Vinicius de Freitas, M. (2023). The impact of Chinese investments in Africa: Neocolonialism or cooperation?

Soft power, indeed, relies on something other than war and force to gain strategic advantages. China's diplomacy throughout the African continent has given it diplomatic relationships that are becoming more important every year. China's State Council Information Office (2021) writes that China is promoting anti-poverty endeavors that use health, education, science, and technology to make a difference. China's State Council Information Office writes that the efforts mentioned earlier will be combined to help African countries' social development. Africa's social development is a hybrid project, as it will also lead to the training of professionals in the continent. These professionals will work for companies on the continent that may or may not be owned by Chinese individuals and entities. In either case, China will benefit because African leaders will credit China for investing in African universities and arranging opportunities for learners to demonstrate and practice their learning.

China's State Council Information Office (2021) also states that China is interested in working with its African partners towards environmentally friendly solutions to climate change. <sup>239</sup> While explaining these ambitions, China's State Council Information Office states that it also wants to work with international organizations and research institutions to accomplish this section of goals. China's willingness to work with members of the international community is a public show of its efforts to improve its international reputation. While Africa benefits significantly from such immediate access to a budding global superpower, China benefits more from having multiple examples of how its preferred diplomatic strategy can be used to deliver profits, friendship, and the resources needed to complete major projects.

\_

<sup>&</sup>lt;sup>238</sup> The State Council Information Office of the People's Republic of China. (2021). *China and Africa in the new era: A partnership of equals.* 

<sup>&</sup>lt;sup>239</sup> Ibid.

The results of these major projects should reduce the skepticism the country receives. Some rivalries may continue for a while due to factors unrelated to the African continent. <sup>240</sup> The resources China has poured into its mutually beneficial relationships in the Horn of Africa should be proof that it is not trying to be a colonizer in its own way. At the same time, it would be naive to believe China does not gain a political advantage from proactively investing in a region that was believed to be too impoverished to deliver real dividends. Murphy writes that the United States views its competition with China as a significant threat to national security. This mindset is rooted in political, ideological, and military-related differences, which are unlikely to disappear since China knows how its culture clashes with the Americans'. <sup>241</sup>

It is possible that China's work is well received by other influencers in the West, however. China's efforts in the Horn of Africa do not appear to be short-sighted. Eventually, a time will come when the Chinese government is exposed or finally respected as the one power that recognized the Horn of Africa as a viable spot for investment before everyone else did. Suppose China's work in Ethiopia is an example. In that case, it is clear that the Asian country's investment in Africa's human capital will prove that it is a generous actor in its true objectives in Africa.

# III. 4. The Implications of China's Presence in the Horn of Africa from Africa's Perspective

In the immediate future, countries in the Horn of Africa must determine how they want to progress. Ironically, China touts how it intends to treat its international partners how they want to

<sup>&</sup>lt;sup>240</sup> Murphy, D. C. (2022). China's rise in the global south: The Middle East, Africa, and Beijing's alternative world order.

<sup>&</sup>lt;sup>241</sup> Ibid.

be treated.<sup>242</sup> This means a complete discussion of the implications of China's presence in the Horn of Africa requires a look into historical and recent developments from the African perspective.

China's investment into Africa has given Africans access to a trading partner and a region that allows them to build in emerging markets unfamiliar with African nations' best wares. <sup>243</sup> In some circles, developing African countries are still considered third-world countries and looked down upon for their lack of technological advancement and resources. <sup>244</sup> This lack of respect created a paradox, making it difficult for African countries to escape poverty. The paradox involved a lack of opportunity from investors who did not think Africa was a lucrative market. This lack of investment prevented African governments from developing their jurisdictions and populations since they lacked the capital and knowledge to do so. <sup>245</sup> China's decision to increase its position in the Horn of Africa ended this paradox by allowing African nations to open their doors to investors willing to do the upfront work themselves. This willingness was vital since it gave China the chance to innovate the foreign market entry process.

Zafar (2007) writes that China has invested in 50 African countries. Some of these investments are focused on extracting natural resources, while others aim to provide educational services and other non-energy and metals-related endeavors.<sup>246</sup> China's flexibility gives each nation in the Horn of Africa a chance to craft their own experiences with the country. China confirms as much in many of its news reports on its African activities.<sup>247</sup> The pride China takes in

<sup>242</sup> The State Council Information Office of the People's Republic of China. (2021). *China and Africa in the new era: A partnership of equals*.

<sup>&</sup>lt;sup>243</sup> Zafar, A. (2007). The growing relationship between China and Sub-Saharan Africa: Macroeconomic, trade, investment, and aid links.

<sup>&</sup>lt;sup>244</sup> Ibid.

<sup>&</sup>lt;sup>245</sup> Ibid.

<sup>&</sup>lt;sup>246</sup> Ibid.

<sup>&</sup>lt;sup>247</sup> Chinese, Ethiopian education institutions agree to promote skills development in technology. (2023, December 7).

its flexible nature gives nations in the Horn of Africa a chance to develop economic and geopolitical relationships with Asian nations proactively. China desires to prove itself as a political influencer in the global arena. Also, the country's desire to develop as a worldwide trader means it is willing to pursue opportunities if a lack of resistance is there.

African nations with a history of communicating with China leverage this diplomatic asset by conversing with Chinese leadership as much as possible. These conversations sometimes lead to initiatives and projects with multigenerational benefits for African nations and their people. 248 One of these benefits is the attraction of other international investors who want to reap the same benefits China has over the past few decades. The literature review in Chapter I found that investments in infrastructure, improvements in governance, and the guarantee of stable politics improve African countries' chances of attracting new investment. China's geopolitical activities in the region are helping African nations learn how to perform the previous list of activities and use diplomacy to communicate their needs to the international community.

An example of a need from Africa's perspective is preserving its natural resources long-term. While China has invested much into Africa's access to energy, technology, and education, its primary value comes from its metals, oil, and other natural resources. Also, some nations in the Horn of Africa will still need to rely on their coastal and agricultural industries for quite some time until their infrastructures are ready to rely on newer industries full-time. China's presence in the region gives the least developed countries in the Horn of Africa confidence that they will be able to research solutions to climate change and the overuse of their resources without having to worry about partners' ulterior motives.

\_

<sup>&</sup>lt;sup>248</sup> The State Council Information Office of the People's Republic of China. (2021). *China and Africa in the new era: A partnership of equals*.

China's higher level of investment in seaport countries could be a sign that the nation recognizes the need to leverage renewable natural resources more often than not. While this leads to less support for landlocked nations in sub-Saharan Africa, it shows that China does not want to strip African countries of their natural resources and leave them with nothing to support themselves with. Also, China's lower level of spending in landlocked African countries does not mean it is absent in those markets. This activity challenges many of the criticisms China receives from skeptics who believe it is trying to put the least developed African governments in eternal debt.

China's Belt and Road Initiative may be one of the more Africa-centric endeavors in the entire world. China did not make the BRI for Africa. Still, its execution is done in a manner that benefits African nations the most since the funds they receive can only be used for the projects they apply for. This means there is a substantial chance the products they produce will earn revenue and benefit Africans in multiple ways. <sup>249</sup> As more African countries take advantage of this opportunity, critics will recognize that African economies are ready for international investors. They can flourish if they are not held accountable to those who help them forever. Mindsets rooted in exploitation will never succeed long-term in the Horn of Africa. China's government has recognized this and put this knowledge into practice. However, the rest of the global community appears unaware of the Horn of Africa's readiness to do business and become a more influential regional and international player.

\_

<sup>&</sup>lt;sup>249</sup> Vinicius de Freitas, M. (2023). The impact of Chinese investments in Africa: Neocolonialism or cooperation?

## III. 5. The Implications of China's Presence in the Horn of Africa from Critics' Perspective

Critics of China's presence in the Horn of Africa may point to the issues Vinicius de Freitas (2023) debunked in his report.<sup>250</sup> China's work in the Horn of Africa has given developing countries access to resources they never would have touched if it were not for Chinese companies' way of doing business.<sup>251</sup> China's use of favorable policies endears developing African governments and economies to it as it determines how it will achieve its long-term goals in the region. In its publications, the Chinese government does not admit it has underlying motives<sup>252</sup>, but critics of the country believe amicable opportunities will never undermine its geopolitical aims.<sup>253</sup>

Other critics may also believe China's success in the Horn of Africa may set a worrying precedent for other rivals of the West who want to gain a foothold in the region. The number of unstable governments in the Horn of Africa means corruption could occur in multiple markets and states. This means political and traditional crimes could happen at any moment, and members of the outside world would never know. Critics could prevent this criticism by increasing their presence in the Horn of Africa. Still, China's decision to expand its military presence shows a worrying sign that it has predicted its rivals' desire to deter aggressive acts by African governments with controversial histories.

<sup>250</sup> Ibid.

<sup>&</sup>lt;sup>251</sup> Zafar, A. (2007). The growing relationship between China and Sub-Saharan Africa: Macroeconomic, trade, investment, and aid links.

<sup>&</sup>lt;sup>252</sup> The State Council Information Office of the People's Republic of China. (2021). China and Africa in the new era: A partnership of equals.

<sup>&</sup>lt;sup>253</sup> Murphy, D. C. (2022). China's rise in the global south: The Middle East, Africa, and Beijing's alternative world order.

Confirming China's actual geopolitical goals would require investigations by rivals who are already biased. Objective investigations into China's activities would have to be done by countries that have not received investment from China or entered into cold wars with the nation. For critics, this may be a sobering prospect, as it would not make sense for a party that fits this description to assess China's impact in the Horn of Africa without some form of compensation that could make it biased. Also, objective investigators would still need to see how Chinese-funded schools are performing within developing countries and educating the next generation of African professionals.

These difficulties mean China's most prominent critics will eventually need to enter into a diplomatic relationship with the country to monitor it themselves or collaborate with it to ensure African countries are not being developed in a way that makes them overly dependent on one foreign investor. As of now, it appears that the overdependence mentioned above is a very high risk. If China's desire to treat others how they would want to be treated is genuine, then it would like its allies to be placed in positions where they could survive if global or political emergencies prevented them from receiving Chinese revenue and aid for an extended period.

### III. 6. Measuring the Impact of China's Presence in the Horn of Africa

Assessing the impact of China's presence in the Horn of Africa also requires a qualitative or quantitative measurement of the benefits provided by the country's activities in the region. This paper's consultation of diverse literature makes it easier to discuss the qualitative methods scholars can use to gauge China's impact in the Horn of Africa, as the opinions of African leaders and the texts created by other authors interested in the subject provide a wealth of data for critics to look into.

For one, the economic and business stories produced by China's activities in the Horn of Africa can be used. Vinicius de Freitas' (2023) research examines claims of debt-trapping by China, the great power competition that is happening in the Horn of Africa, and how the European Union and the United States have reacted to China's work in Africa in the past. <sup>254</sup> Likewise, Murphy (2022) focuses on the history of China's motivations in the Horn of Africa and why these activities worsen the country's relationship with the United States. <sup>255</sup> Gathering data from previous works and highlighting major themes can help scholars and critics find metrics to use moving forward.

A significant metric is the short- and/or long-term benefit of Belt and Road Initiative projects within African countries. China's State Council has published multiple news reports on the country's activities and investments. Still, it will be up to African organizations and other areas of the Chinese government to write reports explaining how much African countries benefited from investments in the past. China's State Council Information Office (2021) provides an excellent example of this with its report on China and Africa's new era of partnership. <sup>256</sup> The strategies and benefits mentioned in this report can be compared against anti-China criticisms published in other publications. Once this data is extracted, the results released by African nations can help determine which side of the argument is correct.

This relates to the second metric scholars can use: the testimonies of Africans themselves. Some African governments have been proud of their friendship with China for decades.<sup>257</sup> This expression is proven through their bilateral activities with China and their public stances with

<sup>254</sup> Vinicius de Freitas, M. (2023). The impact of Chinese investments in Africa: Neocolonialism or cooperation?

<sup>&</sup>lt;sup>255</sup> Murphy, D. C. (2022). China's rise in the global south: The Middle East, Africa, and Beijing's alternative world order.

<sup>&</sup>lt;sup>256</sup> The State Council Information Office of the People's Republic of China. (2021). *China and Africa in the new era: A partnership of equals.* 

<sup>&</sup>lt;sup>257</sup> Xi pledges firm support to Republic of the Congo for national independence. (2023, August 25).

Asian countries whenever there is strife in the international community. Thus, using the direct and indirect statements of Africans can determine the impact of China's presence in the Horn of Africa, as numerous demonstrations of support would be a sign that China has done something the Africans do not want to end. At the same time, criticisms from citizens who cannot control their countries' international policy should also be heard. The presence of different governments and political parties in Africa means there will also be different political opinions. Opinions from underrepresented population groups and social classes with little to no political agency should also be heard. After all, it is likely that these are the people being affected by local producers' declining opportunities after Chinese companies enter the local market.

# III. 7. Measurement of China's Impact on the Horn of Africa based on the Aforementioned Metrics

Based on the aforementioned metrics, China's impact on the Horn of Africa is positive. China's investment and completion of projects in the Horn of Africa have been prolific and undeniable. Also, the diversity of the country's work in the Horn of Africa proves that it is not focused on stripping the African continent of its natural resources for a quick profit and leaving afterward. Literature shows that China's investments in the Horn of Africa have been made with an economic and strategic long-term mindset. The strategic nature of China's activities in the Horn of Africa is based on its need to compete with the United States and other global powers that wish to usurp it for whatever reason. In terms of impact, the African allies China has accumulated

<sup>258</sup> Mohseni-Cheraghlou, A. & Aladekoba, N. (2023). *China in Sub-Saharan Africa: Reaching far beyond natural resources* 

<sup>&</sup>lt;sup>259</sup> The State Council Information Office of the People's Republic of China. (2021). *China and Africa in the new era: A partnership of equals.* 

over time show that its strategic goals are working. This means rivals like the United States will either need to coexist alongside China in the African arena or accept that African governments have decided to do business with China on their merit.

The Horn of Africa's growing population means that testimonies about China's presence in the region are bound to be diverse. However, this does not mean researchers cannot sample populations that do not give an opinion either way. Students from schools built in China and employees at businesses started by Chinese investors could be sampled to provide researchers with a nuanced view of the benefits and drawbacks of having a Chinese presence in their countries. Younger Africans' innovativeness and energy could lead to having a positive or indifferent mindset toward the academic opportunities introduced by China in their homelands. On the other hand, conservative Africans may be wary of China's growing influence, which means African politicians will be forced to consider how their desires and policies will affect foreign investors.

With the second metric, it is apparent China's impact in the Horn of Africa is very high. China has grown to become Africa's largest trading partner. That means economies throughout the continent are doing business with China at a high rate. This high rate could result from favorable policies like the zero-tariff treatment six developing countries in the Horn of Africa are getting.<sup>260</sup> The zero-tariff treatment will allow the six countries to trade in China with no issue. This gives them a head start over other foreign investors whom China has not taken a noted interest in.

Financial data from the State Council Information Office (2021) shows how profitable favorable policies and sustained diplomacy can be for Africans in the Horn of Africa. <sup>261</sup> A lack of

<sup>260</sup> Xi pledges firm support to Republic of the Congo for national independence. (2023, August 25).

<sup>&</sup>lt;sup>261</sup> The State Council Information Office of the People's Republic of China. (2021). China and Africa in the new era: A partnership of equals.

peer-reviewed literature that can prove China practices neocolonialism in the Horn of Africa also highlights the positive impact China's presence is having in the region. The growth in the Horn of Africa's population means countries in the area will need to build the public resources necessary to care for all these people. China was helping with this before the sharp rise in the region's population began.<sup>262</sup> This proves that China's presence is positive since it is assisting African nations to prepare themselves for the consequences that follow economic booms and prosperity.

Regarding China's increasing military presence in the region, there is little criticism from African sources about the extra security Chinese forces provide. <sup>263</sup> Russia's political failures after the invasion of Ukraine forced African nations to seek out new vendors of security services and access to weapons. While supplying the tools needed for African countries to defend themselves is important, China's growing naval presence also helps countries in the Horn of Africa fight piracy, prevent trafficking, and reduce the occurrence of other crimes that usually occur in coastal or maritime environments.

# III. 8. Future Criticisms of the Impact of China's Presence in the Horn of Africa

China's increasing presence in the Horn of Africa may never be viewed as a positive trend by some countries. China can positively portray its naval presence for the duration of its investment, but African governments may be swayed to reveal problems if the situation ever arises. If this occurs, critics like the United States would be proven correct. Currently, China's economic

<sup>263</sup> Mohseni-Cheraghlou, A. & Aladekoba, N. (2023). *China in Sub-Saharan Africa: Reaching far beyond natural resources*.

<sup>&</sup>lt;sup>262</sup> Murphy, D. C. (2022). China's rise in the global south: The Middle East, Africa, and Beijing's alternative world order.

prosperity in the Horn of Africa should be enough to secure the business and diplomatic interests of multiple countries and powers in the West. China's low-maintenance way of entering foreign markets means other countries can benefit from giving China space to operate within their markets whenever they want to. However, some critics may need more time to see how various projects in the Horn of Africa work out.

Projects in countries with corrupt or unstable governments may turn out to be failures because China is not interested in pushing its idea of governance onto its partners. This lack of interest in guiding other governments could lead to corrupt regimes gaining funding for their activities via profitable Chinese businesses in their jurisdiction. In this case, China would need to decide how to move forward with the exploitation of its funds and business acumen for the wrong reasons. Thus far, there are few examples where the Chinese had to advocate against their African partners.<sup>264</sup> This means critics of China's presence in the Horn of Africa may be suitable if they claim the Chinese have no interest in quelling the bad actors in the region by showing them the power of diplomacy and ethical investment.

A third criticism China could receive is its maintenance of a desire to compete with other powers by leveraging its presence within the Horn of Africa. China's positive impact in the Horn of Africa means some countries would suffer greatly if it left the continent altogether. This means critics who claim to care about the Horn of Africa would be doing it a disservice if they forced China to leave. China has not exploited this, but this lack of exploitation could be the product of everyone involved already understanding the consequences of China's exit. China's impact in the Horn of Africa is so strong that numerous technological and energy-related projects would end if the Chinese were not there to fund them. Likewise, the improvement of Africa's human resources

<sup>&</sup>lt;sup>264</sup> Vinicius de Freitas, M. (2023). The impact of Chinese investments in Africa: Neocolonialism or cooperation?

largely relies on the investments made in new schools and professional training centers. Removing these resources from the equation would only damage the Horn of Africa and not help it. Knowing this could make critics complain that China never taught African nations how to build these resources independently.

Finally, some critics could wonder how China is so invested in stopping climate change as it continuously uses the Horn of Africa's natural resources to perform its business activities in the region. Belt and Road Initiative projects are often cost-involved endeavors that require numerous natural resources. Many of the projects completed by Chinese investors required the performance of deforestation and soil erosion to be correctly completed. Like most construction jobs, these projects also required human resources to be done as efficiently as possible. Research touting the benefits of China's investment in the Horn of Africa does not discuss the environmental and physical toll Belt and Road Initiative projects may take on African countries, their environments, and their populations. This makes supporters and scholars take a one-sided view towards China's work in the region.

In the end, China's government rarely, if ever, publishes criticisms about itself or its closest allies. This means primary data from the Chinese government may never be a reliable source for those who want to perform deep investigations. Local populations have opposed some Belt and Road Initiative projects in the past due to their abuse of the environment <sup>265</sup>, but these criticisms often go unreported in the Chinese media. Full transparency about these issues is needed for the impact of China's presence in the Horn of Africa to be measured in its most accurate form. With objective data, outsiders will likely produce conclusions that do not consider the entire scope of the continent's unique needs and issues.

<sup>&</sup>lt;sup>265</sup> Styan, D. (2020). China's Maritime Silk Road: The Horn of Africa and Red Sea. In J. Fulton (Ed.), *Regions in the Belt and Road Initiative* (pp. 75–96). Routledge.

Without a complete understanding of the Horn of Africa's needs, critics may not be able to make their suggestions about the development of the region. This means those criticizing China's methods may not have the knowledge to help the African continent on their own. This would create a situation where the Horn of Africa reenters the paradox of poverty since no one would want to learn how to help it despite other countries using successful models that may not have been perfect in the ethical sense. As of now, it appears that critics of China would not want to use financing methods to trap countries that do not have the infrastructure needed to pay back large loans. This means they would be giving the money countries need without any expectation of return. This could help in the short term, but China's investment method is impactful because it creates permanent solutions and businesses that last for generations.

Western critics appear to be more concerned with China's ability to grab Africans' focus and hold it for extended periods. <sup>266</sup> China's nature of communication with the Horn of Africa treats the region like an equal and not a lesser diplomatic being to be pitied. Vinicius de Freitas' (2023) account of the European Union and United States' criticisms of Chinese presence in Africa makes the latter seem like it cannot think for itself. <sup>267</sup> This could be why Western partners fell out of favor in the African continent over time, as Western powers usually want to prevent the growth of threats before they become threats, even if this means diminishing the nations that could benefit from said targets.

 $<sup>^{266}</sup>$  Vinicius de Freitas, M. (2023). The impact of Chinese investments in Africa: Neocolonialism or cooperation?  $^{267}$  Ibid.

# **Conclusion**

This work began by tracing the roots of China's involvement in the Horn of Africa back to the early 2000s. This period marked the initiation of China's intensified focus on infrastructure, energy, and technology investments in countries such as Ethiopia, Djibouti, Somalia, and Eritrea. These investments were not mere economic ventures but strategic moves aligned with China's broader geopolitical ambitions. <sup>268</sup> The infrastructure projects, including railways, roads, and ports, boosted the region's connectivity and economic prospects. They also served as leverage for China to strengthen its geopolitical foothold in this strategically located region. As China's presence in the Horn of Africa grew, so did its impact on global affairs, particularly on the Global South. This involvement has been pivotal in redefining the dynamics of international relations and global power structures. As a part of the Global South, the Horn of Africa has become a significant player in sustainable development, human rights, and global governance issues. China's role in these areas has been complex, covering various interests and strategies. <sup>269</sup> On the one hand, China's investments have contributed to economic development and infrastructure improvement, fostering regional growth. On the other hand, these activities have raised questions about sustainability, equity, and the long-term implications for the sovereignty and autonomy of the African nations involved.

China's strategic motives in the Horn of Africa are deeply intertwined with its global aspirations. Due to its location near crucial international shipping lanes and natural resource wealth, the region's significance aligns with China's need to secure its energy supplies and expand

<sup>&</sup>lt;sup>268</sup> Berlie, J. A. (2020). *China's globalization and the belt and road initiative*. Palgrave Macmillan.

<sup>&</sup>lt;sup>269</sup> Martorano, B., Metzger, L., & Sanfilippo, M. (2020). Chinese development assistance and household welfare in sub-Saharan Africa. *World Development*, *129*(C),

its global trade reach. Furthermore, this involvement in the Horn of Africa reflects its desire to present an alternative development and international cooperation model, differing from the traditional Western-led paradigms. This approach has implications for the global balance of power and the nature of international development assistance. China's actions in the Horn of Africa have profoundly impacted the region's political and economic landscape. Establishing military bases, increased diplomatic engagements, and significant investments have positioned China as a key influencer in the region's affairs. This influence extends beyond economic and infrastructural development to encompass regional security and governance. The evolving relationship between China and the nations of the Horn of Africa exemplifies a new era in international relations, where emerging powers like China play increasingly prominent roles on the global stage.

### 1. Strategic and Economic Dynamics

A thorough analysis of the strategic and economic dynamics is imperative in the discourse on China's burgeoning influence in the Horn of Africa. These strategic interests in the region encompass access to the Red Sea, resource acquisition, and the establishment of a significant diplomatic and military presence. Concurrently, the economic impacts of China's investments, including improved access to capital, job creation, and the associated challenges, such as unsustainable debt and potentially exploitative labor practices, are crucial for a deeper understanding of China's role in the region.<sup>270</sup> These strategic incursions into the Horn of Africa are primarily driven by its quest to secure access to the Red Sea, a vital maritime route for global trade. This maritime positioning offers China enhanced trade opportunities and a crucial passage for its energy imports and exports. Establishing military bases, particularly in Djibouti, is a

-

 $<sup>^{270}</sup>$  Fulton, J. (Ed.). (2020). Regions in the Belt and Road Initiative . Routledge.

testament to China's commitment to safeguarding these maritime interests. This military presence, the first for the PRC outside its territory, indicates its readiness to protect its regional profits actively.

The acquisition of resources is a central component of China's engagement in the Horn of Africa.<sup>271</sup> The region has abundant natural resources, including minerals and energy reserves, vital to fueling the Chinese burgeoning economy. Pursuing these resources aligns with the broader strategy of diversifying its resource supply chains and reducing dependency on traditional markets. This aspect of China's plan is not merely an economic endeavor but a key maneuver to bolster its global financial stability and security.

Simultaneously, China's economic investments in the region have had a significant impact.<sup>272</sup> The infusion of capital has led to the development of critical infrastructure, which has, in turn, stimulated local economies and created job opportunities. Projects such as roads, railways, and ports have enhanced connectivity not only within the Horn of Africa but also between the region and the wider world. These developments have facilitated trade, opened new markets, and improved access to resources vital to the region's economic growth and development.

However, China's economic footprint in the Horn of Africa is not without its challenges. The increasing levels of debt incurred by countries in the region due to Chinese loans have raised concerns about their long-term financial sustainability. A significant concern is the risk of 'debt-trap diplomacy,' where countries cannot service their debts and thus fall into a cycle of dependency on China. This situation could potentially undermine the financial autonomy and sovereignty of these nations. Furthermore, the potential for exploitative labor practices in Chinese-led projects

-

<sup>&</sup>lt;sup>271</sup> Ibid.

 $<sup>^{\</sup>rm 272}$  Berlie, J. A. (2020). China's globalization and the belt and road initiative . Palgrave Macmillan.

has been a point of contention. There have been instances where the influx of Chinese labor and the use of labor practices that do not align with international standards have led to tensions and criticisms. These practices impact the local workforce and raise ethical questions about the nature of China's investments and their alignment with sustainable and equitable development principles.

#### 2. Political Implications and Partnerships with International

### **Organizations**

The political implications of China's expanding influence in the Horn of Africa include reshaping the region's power dynamics and significantly impacting the domestic politics of its nations. This influence is further accentuated by Chinese partnerships with international organizations, including the African Union, aligning with its broader regional objectives. The Chinese nation's involvement in the Horn of Africa has introduced a new paradigm in the region's political landscape. This shift is most evident in the changing power dynamics, where China's presence has introduced an alternative to Western influence. As the PRC continues to strengthen its ties with the countries in the Horn of Africa through substantial investments and diplomatic efforts, it has emerged as a pivotal player in the region's political arena. <sup>273</sup> This influence extends beyond economic engagement and encompasses active participation in the domestic politics of these nations. By offering substantial development aid and investments, China has positioned itself as a key ally for many governments in the region, gaining significant leverage in their internal affairs.

<sup>&</sup>lt;sup>273</sup> Martorano, B., Metzger, L., & Sanfilippo, M. (2020). Chinese development assistance and household welfare in sub-Saharan Africa. *World Development*, *129*(C).

The political influence wielded by China in the Horn of Africa is not merely transactional but strategically calibrated. It often transcends the conventional realm of diplomacy, involving deeper engagement in the domestic political processes of these nations. For instance, China's role in facilitating political stability and supporting certain political factions or leaders has been notable. This involvement in domestic politics has implications for the sovereignty and autonomy of these nations, potentially leading to a recalibration of their internal and external policies in favor of China's interests. The latter's growing regional influence has implications for the existing geopolitical order. The traditional power balance, predominantly influenced by Western nations and institutions, is challenged by China's assertive presence. This shift has prompted both regional and global actors to reassess their strategies and alignments in the Horn of Africa, contributing to a more multipolar regional order. The competition between major regional powers has intensified, with China's activities closely watched by other global players.

The PRC's partnership with the African Union and other international organizations is critical to its strategy in the Horn of Africa. These are symbolic moves to align China's interests with those of regional and international bodies. China's engagement with these organizations reflects its desire to present itself as a responsible global power committed to multilateralism and regional development.<sup>274</sup> Through these alliances, China seeks to legitimize its presence in the region, portraying its involvement as part of a collaborative effort toward regional stability and growth. China's strategic objectives align with its partnerships with international organizations in various collaborative projects and initiatives. These cooperations have facilitated China's access to regional markets and resources while providing a platform for diplomatic engagement and

\_

<sup>&</sup>lt;sup>274</sup> Ciochetto, L., Haley, U. C. V., & Haley, G. T. (2023). China in Sub-Saharan Africa since 2000. In. L. Ciochetto (Ed.), *China versus the US, World Bank and IMF in Sub-Saharan Africa* (pp. 113–155). World Scientific Publishing.

influence. By working with the African Union and other bodies, China has been able to project its soft power, gaining political goodwill and enhancing its image as a benevolent power committed to mutual growth and development. China's partnerships with international organizations in the region are complex. While these alliances offer opportunities for regional development and collaboration, they also raise concerns about the potential for China to exert undue influence over these organizations and their policies. The balance between cooperation and influence is delicate, and the long-term implications of these coalitions for the autonomy and decision-making of regional bodies remain a subject of significant debate.

#### 3. Benefits and Challenges

The Chinese investments in the Horn of Africa, an area steeped in geopolitical significance, present a scenario of dual outcomes—benefits and challenges—intricately woven into the fabric of the region's development narrative. Substantial investments in scope and scale have the potential to reshape the Horn of Africa's economic and infrastructural landscape while posing considerable challenges that need to be navigated with balanced and transparent policies. On the positive side, China's investments have catalyzed significant economic growth in the region. Infrastructure projects like roads, railways, and ports have improved connectivity within the Horn of Africa and opened new avenues for trade and commerce within and with the outside world. These projects, often part of China's broader Belt and Road Initiative, have been instrumental in bridging infrastructural gaps in these countries, thereby facilitating economic development. Additionally, the influx of Chinese capital and technology has spurred job creation, providing

\_

 $<sup>^{275}</sup>$  Fulton, J. (Ed.). (2020). Regions in the Belt and Road Initiative . Routledge.

much-needed employment opportunities for the local populace. These developments can potentially elevate living standards and contribute to the economic upliftment of the region.

The influx of Chinese investment has also generated several substantive challenges for the region. One of the primary concerns is the issue of unsustainable debt. <sup>276</sup> The financing models adopted for many of these infrastructure projects often leave the recipient countries in significant debt to China. This situation raises concerns about the long-term economic sovereignty of these nations, with fears of a 'debt trap' situation where countries might become overly dependent on China, compromising their financial and political autonomy. Furthermore, the transparency and fairness of these investment and loan agreements have been subject to scrutiny and debate. There have been instances where the terms of these agreements have not been fully disclosed to the public, leading to skepticism and apprehension about the true intentions behind China's investments.

Another challenge posed by Chinese investments in the Horn of Africa pertains to labor practices. There have been reports of Chinese companies importing their labor force, thereby limiting employment opportunities for local communities. Concerns about labor rights and working conditions in projects managed by Chinese firms have also been raised. These issues not only affect the local workforce but also raise ethical questions about the sustainability and equity of these investments.

Therefore, balanced and transparent policies in managing Chinese investments are paramount. Such policies are vital to ensuring that the benefits of these investments are maximized while mitigating their adverse effects.<sup>277</sup> This requires a collaborative approach involving the

<sup>276</sup> Berlie, J. A. (2020). *China's globalization and the belt and road initiative*. Palgrave Macmillan.

 $^{277}$  Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order. Stanford University Press.

Chinese investors and the governments of the Horn of Africa nations. Policies that ensure fair labor practices, safeguard local workers' rights, and promote local labor hiring must be formulated. Additionally, transparency in the terms of investment and loan agreements is essential to ensure that these deals are fair and do not jeopardize the financial autonomy of the recipient countries. There needs to be a focus on ensuring that these investments align with the long-term developmental goals of the region. This involves carefully assessing the funded projects, ensuring they contribute to environmentally friendly and sustainable development. It also requires implementing policies that prevent the creation of a mono-economy dependent solely on Chinese investments, thereby diversifying the economic base of these countries.

#### 4. Considerations of Stakeholders and Outcomes

The evolving dynamics of China's presence in the Horn of Africa necessitate a focused approach that involves wider stakeholders and ensures equitable outcomes. This region, characterized by its strategic location and rich resources, has become a focal point for China's expansive foreign policy. As China continues to deepen its engagement in the Horn of Africa, incorporating diverse perspectives and interests in decision-making becomes increasingly paramount. This inclusive approach is crucial for the immediate stakeholders in the region and for maintaining a balanced global geopolitical landscape. The involvement of a broad range of stakeholders, including local governments, regional organizations, civil society, and international bodies, is essential in discussions and decisions related to China's activities in the Horn of Africa. Such a multi-stakeholder approach ensures that different groups' diverse needs and concerns are addressed, leading to more sustainable and beneficial outcomes for all parties involved. For

\_\_\_\_

instance, local communities must have a voice in projects that affect their livelihoods and environment. At the same time, regional organizations can provide insights into the broader impacts on regional stability and development. Civil society groups can play a critical role in ensuring transparency and accountability, and international bodies can offer a global perspective, ensuring that actions align with international norms and standards. Equitable outcomes from China's presence in the region are crucial. This involves ensuring that the benefits of Chinese investments, such as infrastructure development and economic growth, are widely shared and do not disproportionately favor certain groups at the expense of others. It also means safeguarding against potential negative impacts, such as environmental degradation, social displacement, and the erosion of local cultures and traditions. Policies and agreements should be crafted to guarantee that China's involvement contributes positively to the region's long-term development goals, respecting the sovereignty and autonomy of the Horn of Africa nations.<sup>278</sup>

Looking ahead, the need for continuous monitoring and analysis of China's presence in the Horn of Africa cannot be overstated. This ongoing scrutiny is vital for understanding the evolving nature of China's engagement and its implications for the region. Continuous monitoring allows for assessing the impacts of Chinese investments and policies over time, providing data that can inform future decision-making. It also ensures that emerging challenges or issues can be identified and addressed promptly, preventing long-term negative consequences. The potential future developments and their implications for the Horn of Africa, China, and the global community are manifold. As China continues to expand its influence in the region, it could lead to significant shifts in the geopolitical landscape. For the Horn of Africa, this could mean increased economic growth and development but also challenges related to sovereignty and managing external

-

<sup>&</sup>lt;sup>278</sup> McCauley, J. F., Pearson, M. M., & Wang, X. (2022). Does Chinese FDI in Africa inspire support for a China model of development? *World Development*, *150*(C).

influences. This engagement represents an opportunity for China to secure its interests in a strategically important region. Still, it also poses risks related to geopolitical tensions and the complexities of operating in diverse political and cultural environments. At the global level, China's presence in the Horn of Africa could lead to reconfiguring international alliances and power structures. It could challenge the traditional dominance of Western powers in the region and contribute to a more multipolar world order. However, this could also lead to increased competition and tensions between major powers, with the Horn of Africa potentially becoming a flashpoint for broader geopolitical rivalries.

#### 5. Implications and Continued Research

The current work has examined China's expanding role in the Horn of Africa, revealing a complex interplay of strategic, economic, and political dimensions. The concluding remarks synthesize these findings, highlighting the multifaceted nature of China's involvement and its farreaching implications for global power dynamics and international relations in the 21st century. China's presence in the Horn of Africa, marked by substantial infrastructure, energy, and technology investments, reflects a strategic endeavor to extend its geopolitical influence. The region's strategic location near key maritime routes, coupled with its wealth of natural resources, has made it an area of significant interest for China. Through its investments, China has pursued economic growth and sought to establish a foothold in a region of global significance. These actions indicate China's broader ambitions to play a more pronounced role on the worldwide stage, extending its reach beyond its traditional sphere of influence.

The economic implications of China's activities in the region are similarly impactful. On the one hand, these investments have spurred economic development, created job opportunities, and improved infrastructure, contributing to the region's growth and connectivity. On the other hand, they have also brought challenges, such as concerns over unsustainable debt and potentially exploitative labor practices. These dual outcomes highlight the need for balanced and transparent policies to maximize the benefits of China's investments while mitigating adverse effects. Politically, China's growing influence in the Horn of Africa has significantly shifted the region's power dynamics. China's involvement in domestic politics and its partnership with international organizations like the African Union have reshaped traditional alliances and introduced new elements to the geopolitical landscape. This shift has impacted the region and has broader implications for global power structures, signaling a move towards a more multipolar world order.

Reflecting on the broader implications of this work, China's role in the Horn of Africa is a microcosm of the changing nature of international relations in the 21st century. Its approach, characterized by a blend of economic engagement and strategic positioning, exemplifies the tactics of emerging powers in the global arena. As such, this study provides valuable insights into the evolving dynamics of global power, where the rise of new actors is increasingly challenging traditional Western dominance.

Furthermore, China's activities in the Horn of Africa highlight the growing importance of regions previously on the periphery of major power considerations. These regions are now at the forefront of global geopolitics, playing crucial roles in the strategies of major world powers. This shift underscores the need for a more nuanced understanding of international relations that recognizes the significance of diverse regions and the interplay of various global actors.

#### References

**Bazilian, M. D.** (2018). The mineral foundation of the energy transition. *The Extractive Industries* and *Society*, 5(1), 93–97. Available from https://doi.org/10.1016/j.exis.2017.12.002

**Becker, G. S.** (2019). Investment in human capital: A theoretical analysis. *Journal of Political Economy*, 70(5, Part 2), 9–49.

**Berlie, J. A.** (2020). *China's globalization and the belt and road initiative*. Palgrave Macmillan. Available from https://doi.org/10.1007/978-3-030-22289-5

**Callahan, W. A.** (2012). Sino-speak: Chinese exceptionalism and the politics of history. *The Journal of Asian Studies*, 71(1), 33–55. Available from https://doi.org/10.1017/s0021911811002919

**Chen, C. C., Chen, X.-P., & Huang, S.** (2013). Chinese Guanxi: An integrative review and new directions for future research. *Management and Organization Review*, 9(01), 167–207. Available from https://doi.org/10.1111/more.12010

Ciochetto, L., Haley, U. C. V., & Haley, G. T. (2023). China in Sub-Saharan Africa since 2000. In. L. Ciochetto (Ed.), *China versus the US, World Bank and IMF in Sub-Saharan Africa* (pp. 113–155). World Scientific Publishing.

**de Coning, C.** (2018). Adaptive peacebuilding. *International Affairs*, 94(2), 301–317. Available from https://doi.org/10.1093/ia/iix251

Embassy of the People's Republic of China in the Federal Republic of Somalia. China-Somalia Relations. Press statement released on 2024-01.16. Available from http://so.china-embassy.gov.cn/eng/zsgx 1/202401/t20240116 11224549.htm

**Feldbaum, H., & Michaud, J.** (2010). Health diplomacy and the enduring relevance of foreign policy interests. *PLoS Medicine*, 7(4), Article e1000226. Available from https://doi.org/10.1371/journal.pmed.1000226

**Fulton, J.** (2020). *Regions in the Belt and Road Initiative*. Routledge. Available from https://doi.org/10.4324/9780429202346

**Heibach, J.** (2020). Sub-Saharan Africa: A theater for Middle East power struggles. *Middle East Policy*, 27(2), 69–80. Available from https://doi.org/10.1111/mepo.12495

Horn Economic and Social Policy Institute. (2020). Cooperation between China and the Horn of Africa: In the context of FOCAC and Belt & Road Initiative. Available from https://www.hespi.org/wp-content/uploads/2020/12/China-Horn-of-Africa-relations-under-FOCAC-and-BRI-.pdf

**Horner, R., & Nadvi, K.** (2017). Global value chains and the rise of the Global South: Unpacking twenty-first-century polycentric trade. *Global Networks*, 18(2), 207–237. Available from https://doi.org/10.1111/glob.12180

**Jessop, B.** (2016). Territory, politics, governance and multispatial meta-governance. *Territory*, *Politics, Governance*, 4(1), 8–32. Available from https://doi.org/10.1080/21622671.2015.1123173

**Kalu, K.** (2021). 'Respect' and 'agency' are driving forces for China–Africa relations. *Place Branding and Public Diplomacy*, *17*(4), 336–347. Available from https://doi.org/10.1057/s41254-020-00178-z

**Knutsen, T., & Kotsadam, A.** (2020). The political economy of aid allocation: Aid and incumbency at the local level in Sub Saharan Africa. *World Development*, 127(C), Article 104729. Available from https://doi.org/10.1016/j.worlddev.2019.104729

**Levitsky, S., & Way, L.** (2002). Elections without democracy: The rise of competitive authoritarianism. *Journal of Democracy*, *13*(2), 51–65. Available from https://doi.org/10.1353/jod.2002.0026

**Martorano, B., Metzger, L., & Sanfilippo, M.** (2020). Chinese development assistance and household welfare in sub-Saharan Africa. *World Development*, *129*(C), Article 104909. Available from https://doi.org/10.1016/j.worlddev.2020.104909

**McCauley, J. F., Pearson, M. M., & Wang, X.** (2022). Does Chinese FDI in Africa inspire support for a Chinese model of development? *World Development*, 150(C), Article 105738. Available from https://doi.org/10.1016/j.worlddev.2021.105738

Mohseni-Cheraghlou, A. & Aladekoba, N. (2023). China in Sub-Saharan Africa: Reaching far beyond natural resources. Atlantic Council Geoeconomics Center. Available from https://www.atlanticcouncil.org/wp-content/uploads/2023/03/China-in-Sub-Saharan-Africa-Reaching-far-beyond-natural-resources.pdf

Murphy, D. C. (2022). China's rise in the Global South: The Middle East, Africa, and Beijing's alternative world order. Stanford University Press.

**Nguyen Huu, T., & Orsal, D. D. K.** (2020). A new and benign hegemon on the horizon? The Chinese century and growth in the Global South. *Economics*, *14*(1), 1–34. Available from https://doi.org/10.5018/economics-ejournal.ja.2020-12

**Qi, J. J., & Dauvergne, P.** (2022). China's rising influence on climate governance: Forging a path for the global South. *Global Environmental Change*, 73, Article 102484. Available from https://doi.org/10.1016/j.gloenvcha.2022.102484

**Styan, D.** (2020). China's Maritime Silk Road: The Horn of Africa and the Red Sea. In J. Fulton (Ed.), *Regions in the Belt and Road Initiative* (pp. 75–96). Routledge.

Tang, X. (2021). Coevolutionary pragmatism: Approaches and impacts of China-Africa economic cooperation. Cambridge University Press. Available from <a href="https://doi.org/10.1017/9781108233118">https://doi.org/10.1017/9781108233118</a>

The State Council of the People's Republic of China. Xi pledges firm support to Republic of the Congo for national independence. (2023, August 25). Available from https://english.www.gov.cn/news/202308/25/content\_WS64e7fa87c6d0868f4e8dece9.html

The State Council of the People's Republic of China. China to grant zero-tariff treatment to 6 least-developed African countries. (2023, December 6). Available from https://english.www.gov.cn/news/202312/06/content\_WS65706c85c6d0868f4e8e1f10.html

The State Council of the People's Republic of China. Chinese, Ethiopian education institutions agree to promote skills development in technology. (2023, December 7). Available from https://english.www.gov.cn/news/202312/07/content\_WS65711c87c6d0868f4e8e1f4f.html

The State Council Information Office of the People's Republic of China. (2021).

China and Africa in the new era: A partnership of equals. XinhuaNet. Available from http://www.news.cn/english/2021-11/26/c\_1310333813.htm

Varela von Heeren, F. (2022). China's FDI in Sub-Saharan Africa: What effects have the Chinese investments brought to the SADC region? [Bachelor's thesis, Universidad Pontificia Comillas]. Available from http://hdl.handle.net/11531/74379

**Vines, A.** (2013). A decade of African peace and security architecture. *International Affairs*, 89(1), 89–109. Available from https://doi.org/10.1111/1468-2346.12006

**Vinicius de Freitas, M.** (2023). *The impact of Chinese investments in Africa: Neocolonialism or cooperation?* Policy Center for the New South. Available from https://www.policycenter.ma/sites/default/files/2023-08/PB\_30-23\_Marcus%20Freitas.pdf

Wegenast, T., Krauser, M., Strüver, G., & Giesen, J. (2019). At Africa's expense? Disaggregating the employment effects of Chinese mining operations in sub-Saharan Africa. *World Development*, 118(C), 39–51. Available from https://doi.org/10.1016/j.worlddev.2019.02.007

**Zafar, A.** (2007). The growing relationship between China and Sub-Saharan Africa: Macroeconomic, trade, investment, and aid links. *The World Bank Observer*, 22(1), 103-130. Available from

https://documents1.worldbank.org/curated/en/617301468003942566/pdf/767710JRN0WBRO00 Box374387B00PUBLIC0.pdf

**Ze Yu, S.** (2021, April 2). Why substantial Chinese FDI is flowing into Africa. The London School of Economics and Political Science. Available from https://blogs.lse.ac.uk/africaatlse/2021/04/02/why-substantial-chinese-fdi-is-flowing-into-africa-foreign-direct-investment/

**Zhang, K. H.** (2021). How does South-South FDI affect host economies? Evidence from China-Africa in 2003–2018. *International Review of Economics & Finance*, 75, 690–703. Available from https://doi.org/10.1016/j.iref.2021.04.015

## Acknowledgements

The writing of this dissertation would not have been possible without the support and advice of the professors who have marked out my university career, and in particular those who have guided me during this final and fundamental stage of my studies.

It is my pleasure to thank my Supervisor, Ms Silvia Menegazzi, Professor of International Relations at LUISS University, who made herself available when I needed her advice, gave me guidance and suggestions and supported me throughout the writing of this dissertation.

I would also like to express my appreciation to Mr Mohammed Hashas, professor of Political Thought and Communication in the South of the Mediterranean at LUISS University, for his supervision.

Finally, my gratitude goes to my family, who have supported me in my choices.

You have always been a source of inspiration for me and I am deeply and unconditionally grateful to you.