



share of internal dissension. But after several years of civil strife, the ethnic tensions, which almost tore the country apart, have eased—largely because of President Gouled's policy of acting as a leader to all Djiboutians and his adoption of a strictly neutral policy in the Ethiopian-Somali struggle.

Gouled has chosen the practical path of accommodation instead of confrontation. He allows a limited freedom of expression and debate under a single party, the *Rassemblement Populaire pour le Progrès*, which he formed in 1979. He has tried hard to ameliorate Afar fears and the frustrations of being permanently excluded from power after they had lost their earlier dominance to the Issa. While the Parliament and the cabinet reflect the relative strength of the two groups, the Presidency is markedly superior to the office of the Prime Minister. However, President Gouled has apparently established a good working relationship with his Afar Premier, Mr. Barkat Gourad, unlike previous premiers Ahmed Dini and Abdallah Kamil.

The president persuaded Ethiopia to refrain from arming and encouraging the Afar dissidents to foment trouble in Djibouti. He also convinced many of his fellow Issa clansmen to forgo dreams of Greater Somalia.\* He initiated nation-wide tours by himself and his ministers to keep the government in close touch with the people and to instil a sense of nationhood in them. As Djibouti chose free trade and a free-enterprise system, most Djiboutians see no alternative to Gouled's alignment with France and conservative Gulf states. This is an effective way of preserving their country's sovereignty and unity. All in all, the government has made credible strides toward building true nationhood.

Antagonism and mistrust between the two main ethnic groups still persist. This will be hard to change and take the highest measure of statesmanship on the part of the president to heal these ingrained animosities and to demonstrate that he intends to forge a united country in which all Djiboutians can live and work together peacefully.

### Foreign Affairs

The country's stature and income derive mostly from its strategic location. It commands the Bab el

Mandeb, the strait between the Red Sea and the Gulf of Aden through which most of Europe's oil from the Persian Gulf passes. The power struggle between rival forces—superpowers and their allies, regional powers, etc.—has proved beneficial to tiny Djibouti. To protect the fledgling state, France agreed to keep a military presence of over 4,500 men and to provide additional massive financial aid.

Both Washington and Moscow maintain embassies in the country. In addition, the Djibouti government has permitted the United States Navy access to its port and international airport. Since the Islamic Revolution in Iran, the hostage crisis in 1979 and the Soviet invasion of Afghanistan, United States Naval presence in the Indian Ocean has increased. This has made the Djibouti access even more important. American and French moves in the Horn of Africa are meant to counter further Soviet penetration of the African continent from Ethiopia, where Moscow replaced Washington in 1977 as the most influential foreign power.

The American-Russian military thrust injects a cold war logic into the Horn of Africa and the Gulf-Indian Ocean region, adding a new dimension to local disputes, and perhaps encouraging some of their clients to escalate conflicts. A local dispute could easily escalate into a superpower showdown. Many countries in the region have signed military agreements with Moscow and Washington, statements of non-alignment policies notwithstanding. Djibouti has similar military arrangements with France. This is an example of the Third World quest for non-alignment and the hard realities of the world situation. Yet, the prime threat to political stability stems from economic problems and historical animosities exacerbated by foreign power involvement.

### *Relations with France*

Djibouti's relations with Paris is of primary importance, because France is its major trading partner and largest source of budgetary subsidies. Bilateral military and economic agreements provide for continued French security and economic assistance. Their military presence is the most visible aspect of the country's warm relations with its former colonizer. Twelve thousand French peo-

ple live in Djibouti, including 4,500 Foreign Legionnaires, regular troops and their dependents. France pays about \$200 million a year for the upkeep of these troops.

In addition, France provides more than 80 percent of imports and is the country's principal aid donor for economic development, education, health services, and other essential technical services and supplies. Many Djiboutians, however, resent the conspicuous French presence. They claim, perhaps with some justification, that French attitudes are colonial and that most of their aid directly or indirectly benefits France more than Djibouti. It is possible that this is a minority opinion. "Most of the salaries of the troops is locally spent," said the Djibouti Foreign Minister, Mr. Moumin Bahdoun Farah. "The spending power of the French military and their families is of greatest significance for the economy of our country. Also, the French help us in other fields such as security, training of the national army, education and so on."

According to an International Monetary Fund (IMF) report: "The expenditures of resident and visiting French personnel to a large extent determine the value-added in the services and in transport and communications. It is estimated that the expenditure of these groups contribute about 50 percent and 75 percent of the value-added in trade and other services respectively. Trade contributes about half the value-added in the private sector while services and transport and communications together contribute another quarter of the total. The public sector, which consists mostly of the salaries paid by France to French military and civilian personnel, provided about 40 percent of the total gross domestic product."

The resentment of the French by some Djiboutians is, however, understandable, considering how French colonialism exploited their ethnic divisions. Historically, ethnic rivalries were often exacerbated by these colonial policies, and thus delayed independence. In 1977, only under enormous external and internal pressures did France grant independence to Djibouti, but the country was ill-prepared politically and economically for it. Many Djiboutians believe that France is still running the show in their country. "Although France's socialist government has not abandoned

efforts to maintain French influence and economic ties with its former colonies," commented a long-time resident in Djibouti, "it has avoided the high-handed interventions of previous French governments." In fact, many Third World critics of French policies in Africa have applauded its actions in Djibouti since independence.

As long as there is no political solution to the crisis in the Horn, French security presence in the Republic of Djibouti serves the interests of all concerned including its neighbors Somalia and Ethiopia. In the meantime, President Gouled's government has been working hard to diversify its trade and economic relations in order to reduce its overall dependence on this one source. In this effort, Djibouti has already established strong links with the Arab states.

#### *Relations with Arab States*

President Gouled has skillfully played his Arab cards. He joined the Arab League; proclaimed Islam as the country's official religion; made Friday the legal weekly day of rest and Arabic the official language (which has, as a result, been introduced into the school system); and stopped Israeli shipping from using the port.

This has won maximum financial and moral support from the Arab world. For instance, in 1978 Saudi Arabia gave Djibouti a grant of \$60 million, and Iraq provided a similar amount in 1980. All but \$26 million were grants to carry out various economic development projects. Today, total Arab aid to Djibouti runs at nearly \$100 million a year.

Thus Gouled's membership in the Arab League proved to be his most rewarding foreign policy initiative. He has been able to keep the balance between conservative and radical regimes. Nine of the thirteen countries with embassies in Djibouti are Arab. The nation receives substantial grants and loans from ideologically incompatible Arab regimes.

Both the Arab states and France have international ambitions in the Horn. The zeal of Saudi Arabia's attempts in thwarting Soviet aspirations in the region has benefitted the Republic of Djibouti. Saudi Arabia provides it financial wherewithal and France provides the military clout.

### *Relations with Ethiopia and Somalia*

The Djibouti's relations with Ethiopia and Somalia are particularly sensitive, since each of these historical enemies fears that the other will gain a dominant role in Djibouti. To counter this, Gouled has strengthened his ties with other countries and international organizations more distant and detached from the tensions of the area. These associations are welcomed and appreciated in order to diminish Djibouti's vulnerability to the Ethiopian-Somali rivalry.

In July 1977, President Barre of Somalia visited Djibouti and was warmly welcomed by President Gouled in gratitude for the support Somalia had provided in the struggle for his country's independence. Historically, Ethiopia favored continued French presence in Djibouti to insure access to the port while Somalia favored outright independence and, even more, wished the eventual incorporation of the territory in the Somali Republic. From 1977 to 1980 Ethiopia trained, armed and encouraged Afar dissidents to destabilize the Gouled regime, using their fears of Issa domination.

However, after Somalia's defeat in the Ogaden war and as a result of severe discontent in the country, relations between Djibouti and Mogadishu deteriorated while those with Addis Ababa improved markedly. The weakening of Somalia's position *vis-à-vis* Ethiopia, and internal instability made her unattractive to Djiboutians who had earlier supported the dream of Greater Somalia. Moreover, President Gouled reached a satisfactory *modus vivendi* with Col. Mengistu, the Ethiopian leader, in order to restore traffic on the Djibouti-Addis Ababa railroad. There was a vital interest for Djibouti to keep open the line and thus use the port for the transit of Ethiopia's foreign trade. In return, Ethiopia has stopped arming and encouraging Afar dissidents in Djibouti. President Gouled has declared and maintained a strict neutrality in the Ethiopian-Somali conflict.

### **The Service Economy**

The Republic of Djibouti depends primarily on a service economy, though the government has tried to boost agriculture production, fishing and manufacturing. Industry remained virtually undevel-

oped throughout the French colonial period. Although the country is 90 percent desert, 9 percent pasture and 1 percent forest, the French encouraged animal husbandry at the expense of agriculture. Clearly, for the foreseeable future, the nation will remain mainly a service economy. Service and external trade provide most of the gross domestic product as it focusses on import-export trade and shipping.

Djibouti has a large, deep and well-placed natural harbor, a modern international airport, and a 486-mile single-track railway connecting Djibouti to Addis Ababa which is owned jointly with Ethiopia. The port, with its modern facilities and extensive docks, is the country's most important economic asset. As a result, the government's economic program centers on plans to make Djibouti the "Hong Kong" of the Middle East and Africa. This calls for the further development of its port, enlargement of its already well-equipped airport, maintenance of the railway, and favorable banking regulations.

Some of these elements are already in place. The port has been expanded, and efforts are well under way to make it the most modern port on the Red Sea. French development policies 1948-1958 gave Djibouti a free-port status in an effort to create a favorable climate for banking and investment. It has increasingly become an important container shipment and transshipment point on the shipping lanes transiting the Red Sea and Suez Canal. It also functions as a bunkering port.

The port has seen hard times. The long closing of the Suez Canal after the Six-Day war in 1967, the modernization of the port at Jeddah, and the Ogaden war which severely disrupted the use of the railway, have had adverse effects on it and, consequently, on the overall economy of the country. Before the Ogaden war, for instance, the port handled 60 percent of Ethiopia's exports and 40 percent of its imports. After the railway finally opened in late 1978, it handled a much smaller volume of traffic than it had before. Ethiopia, to free itself from dangerous over-dependence on Djibouti strengthened its other main export outlet at Asseb in Eritrea (just north of Djibouti on the Red Sea) by improving the road connecting it with Addis Ababa and investing in a fleet of heavy-duty trucks. Today, approximately 25 percent of

Ethiopia's imports and 50 percent of its exports move through the port of Djibouti.

Port statistics in 1976 reveal that 1,772 ships called at Djibouti, but by 1978 this figure fell to 1,267. Bunkerage, for the same period, fell from 480 tons to 302 tons, and general cargo handling fell from 616,000 tons in 1976 to 365,000 in 1978. The only bright spot is the container traffic which more than doubled between 1974 and 1978—from 1,452 units to 3,009 units. According to Mr. Jilani, the port's Director, the port can normally handle 600–700,000 tons of general cargo a year and 500,000 tons of bunkerage a year. Now it handles 36 percent or 250,000 tons of general cargo a year. Also, he added, the port normally berths about 50 percent of its capacity or 1,500 ships a year. It has a work force of 3,030 (2,500 dockers, 500 administrators and 30 foreign technicians).

Mr. Jilani expressed confidence that the nation could hold their own against the competition from Assab, Jeddah and Aden. "Jeddah and Aden do not pose any stiff ompetition," he noted in an interview. "Because most ships prefer our services. We are at the gateway between the Red Sea and the Indian Ocean." In fact, it must be noted that both Aden and Jeddah offer less costly bunkerage service. He continued, "Assab won't hurt us either, though it will reduce our volume. At any rate, Assab and Djibouti complement each other. But ours is more advantageous to Ethiopia because transportation by railway is cheaper than by truck." It is a fact that Assab is much smaller and less modern than Djibouti.

However, there is still a war in Eritrea. The railway is the only line which services central and southeastern Ethiopia and it occupies a prominent place in the country's internal distribution system of domestic commodities such as cotton textiles, sugar, cement, cereals, and charcoal. Expected improvements of the line by recent French credits to Addis Ababa will greatly favor Ethiopia's continued use of Djibouti.

The port, however, remains under-utilized by world shipping. Supertankers prefer the more economical route around the Cape of Good Hope, and Israeli shipping has been barred, thus losing the substantial trade the Israeli shipping line (ZIM) had

with Ethiopia. Expansion of Ethiopia's economy and to lesser extent Somalia's could help. Trade with Somalia in 1981 amounted to 50–75 tons—too small to have any impact on the port and the economy. "But," said the port Director, "trade with northern Somalia could increase up to 750 tons a year, but this of course requires policy changes by the Somali government." In any event, chronic political instability and stifling socialist economic systems in both Somalia and Ethiopia preclude any dramatic rise of trade between them and the Republic of Djibouti.

The port has a regional lead in container handling, and there are plans, financed by Arab States and the EEC, to turn it into a major international container terminal within a decade. It will service Djibouti's imports and exports, goods in transit to and from Ethiopia and Somalia, transshipment via feeder ships to and from other countries in Africa and the Middle East, and finally, transshipment of long-distance traffic to Europe, the Far East and the United States. In order to accommodate the last two categories, the government plans to build a new pier and storage area for containers (estimated cost \$14 million) and to install sophisticated handling machinery (estimated cost \$9 million).

A 1978 feasibility study has been completed by Gellatley Shipping International of the United Kingdom, a container transporter. The study reveals: "Djibouti's location for vessels transiting the Red Sea, and its natural deepwater approaches, make this the ideal port for operators wishing to improve their existing and future service economics by utilizing transshipment opportunities. Redistribution of container traffic can be undertaken for destinations in the Red Sea, the Gulf and the Indian Ocean. The port's easy access to the African hinterland also enures growing trade prospects."

The country has an extremely liberal investment code allowing free transfer of profits, long tax holidays, and a minimum of red tape. The Djibouti franc is a hard, freely convertible currency because it is tied to the United States dollar. These advantages have attracted foreign banks such as the Bank of Credit and Commerce International, the Bank de L'Indochine et de Suez, the Commercial and Savings Bank of Somalia, the Commercial Bank of Ethiopia, Banque pour le Commerce et l'Industrie

Mer Rouge, and the British Bank of the Middle East. Most of these banks' credit is in short-term trade financing on behalf of customers in Somalia, North Yemen and Ethiopia.

A few European companies, Arab merchants and some Indians control, almost entirely, local trade, which benefits from the free port and the unrestricted currency exchange. But there is an enormous resentment in the indigenous community against foreign control of trade. There is apparently no Djiboutization. "It's frustrating to see these foreign parasites having a stranglehold on the economy," observed one Djibouti merchant. "Especially when we know that they contributed nothing to our struggle for independence. In fact, they invariably threw their lot with the French on the false premise that the colonizers were here to stay till doomsday." He added that it was only the enterprising Djibouti women who were putting up a fight by setting up sidewalk stalls to sell their wares. "But," he said indignantly, "the police harasses them under pressure by the foreigners. But our women keep selling their wares. Of course, they don't make a dent in this monopoly of our national economy by greedy foreign merchants. And the government does nothing about this."

### Refugees

Even in the matter of treatment of refugees, the Republic of Djibouti's record is remarkable, although in 1981 and 1982 some expulsions and refoulement apparently took place. From 1977 to early 1981, nearly 45,000 refugees sought shelter in the country, making it one of the most refugee-packed countries in the world. Invariably, those nations that bear the heaviest load of refugees—such as Somalia, Sudan and Djibouti—are the ones least able to take in such an influx.

Most of the refugees in Djibouti arrived in 1978 and 1979 and many more followed in 1980 and 1981. In both periods, the government accepted them en masse without any individual screening, granted them temporary refugee status and dealt with them humanely, though this strained its own meager resources. But this created a crisis of rising food prices and shortages of basic foodstuffs. It

also brought a health hazard. It was further feared that the refugees would threaten the delicate balance of population within the country. Fortunately, a massive international relief effort alleviated the crisis.

Excluding the few hundred Eritreans who arrived prior to the country's independence, the refugees consist of two main categories: 9,000–12,000 urban refugees in Djibouti, the capital city, and nearly 33,000 rural refugees in Dikhil and Ali Sabieh camps, depending on various estimates. There is also thousands of drought-ridden Djibouti nationals.

### Urban Refugees

Early in 1982 a UNHCR report noted that 9,000 urban refugees (the government figure was 12,000) from various major urban centers in Ethiopia had applied for refugee status but only 5,500 had been granted such classification. These refugees have different ethnic, educational and cultural backgrounds. "Although claiming political asylum because of persecution in the country of origin," states the report, "it is doubtful that, except for a small percentage, they could claim to be genuine refugees, particularly those who arrived in 1980–81. The bad economic and social conditions in Ethiopia led to an ever increasing number of people to try their chance in Djibouti for economic, resettlement, educational or working opportunities abroad, particularly in Saudi Arabia and the Gulf countries."

Consequently, this caused serious problems for the local authorities who preferred to move all those with no resettlement prospects to the camps at Dikhil and Ali Sabieh. But the UNHCR rejected this since urban refugees had nothing in common with rural ones. Because of marked differences in their socio-economic, educational and ethnic backgrounds, the two groups could not be integrated. Therefore, the UNHCR sought the resettlement of urban refugees in third countries, and in educational and working opportunities abroad.

So far the United States has accepted 1,500 for resettlement, and 200–300 have gone to other countries. Further, some have been voluntarily repatriated to Ethiopia through their embassy in

Djibouti. Some 3,000 have found jobs in the Gulf countries on their own and 300-400 have won scholarships to study abroad. But there are still many who have no prospects for resettlement or repatriation. The government insists on moving them to the camps, but they resist being integrated in rural areas.

UNHCR and other international relief organizations are working closely with the government to integrate some of them into local communities and to enroll them in productive activities (such as artisan and cottage industries) to make them self-reliant and to help contribute to the country's development. They hope to train them well enough to eventually seek better opportunities in other countries.

### *Rural Refugees*

Government sources put the number of rural refugees at 34,000 but a preliminary UNHCR 1981 census shows 30,000. The census was meant to screen the entire refugee population and distinguish genuine refugees from the economic migrants of drought-stricken areas. Rural refugees—mainly Somalis and some Oromos—came from the Ogaden because of the war and turmoil in Ethiopia. UNHCR, the principal refugee relief organization, worked closely with the Djibouti government and successfully placed them in large settlement camps at Dikhil and Ali Sabieh. They receive food, shelter, austere medical services, and other basic needs through the Office National d'Assistance aux Refugies et Sinistre's (ONARS), the government agency responsible for refugees. Conditions at the camps are remarkably good, and the crisis appears to have eased considerably.

But the difficulties are by no means over. Though no massive return of the refugees to Ethiopia is foreseen in the near future, the government and UNHCR believe repatriation of the economic migrants and drought victims should be seriously pursued. Moreover, Djibouti officials have initiated high-level negotiations with the Addis Ababa regime to obtain satisfactory guarantees of security and non-harassment so voluntary repatriation can be started. Due to the turmoil in Ethiopia, most refugees are not anxious to return in the near future. At both camps, workshops and cottage in-

dustries have been established as well as educational and vocational training facilities to enhance the chances of the refugees to find permanent economic solutions. Also, some schooling is provided for the children and more classrooms are being built for them.

Meanwhile, the government and UNHCR accept the fact that some of the refugees will be staying permanently and have taken steps to work out long-term solutions. For example, an experimental integrated market farm for 12 refugees and 12 Djibouti families was set up at Mouloud in 1979. The families (170 members) are now economically self-sufficient, demonstrating the possibilities of implementing agricultural activities in the country. UNHCR provided funds for the project and is quite pleased with its progress and the cooperation shown by members of the community.

### *Repatriation*

The government's treatment of the refugees had been remarkable until mid-1981 when world attention was attracted by alarming reports circulated of genuine refugees being forcibly repatriated to Ethiopia. In February 1982, there was an unprecedented wave of arrests in Djibouti-city to "clean" it of illegal aliens. Government officials explained that there were tens of thousands of illegal immigrants from Ethiopia and Somalia who, taking advantage of family and ethnic ties, had slipped into the country illegally or overstayed their visas. The government claimed it had no choice but to expel them to protect its own citizens. It assured the UNHCR office in Djibouti that refugees with proper documentation would not be affected.

Well-placed sources in Djibouti, however, insist that many genuine refugees were, indeed, repatriated against their wishes. Among them were several, already accepted for resettlement in the U.S. This was revealed to this reporter in Djibouti in early March. Asked about this, government officials emphatically denied it. "We have never deported any genuine refugee," said the President's Security Chief, Mr. Ismail Omer Gailey. "We believe we have, in fact, set a good example in welcoming and caring for thousands of refugees who now, incidentally, make up nearly 15 percent of

our population, and impose unbearable burden on our feeble economy."

Mr. Ali Mellow, the Commissioner of ONARS as well as the Acting Minister of Interior, Mr. Ahmed Hassan Liban, also vigorously denied the reports. "The President would not tolerate this," said Liban. "You should not forget that we already accepted them into our country on humanitarian grounds. So it would make no sense to expel them, since conditions in their country did not warrant such an action. But you must also realize that illegal immigrants in Djibouti have begun to reach alarming proportions. Therefore, the government had to do something before it was too late."

UNHCR officials told *Horn of Africa* that the government fully cooperated with them and lived up to its obligations under internationally accepted conventions in regard to refugee rights and protection. "However," said a UNHCR official, "we do hear from time to time about refugees expulsions. But we have always intervened on their behalf at the highest level of the government to make sure that the principle of non-refoulement is clearly understood and fully lived up to." He added that his office had not been involved in any voluntary repatriation schemes because no refugee had shown any interest in returning to Ethiopia.

Yet, further interviews with several refugees and other sources with close links to both the government and UNHCR revealed that among the many deportees to Ethiopia were several legitimate refugees and that the UNHCR office was fully aware of this but unable to stop it. In fact, a government official also admitted that there might have been a few real refugees in the expulsions because they probably did not have their I.D. cards on hand when arrested and the police might have been too overzealous in carrying out their duties to listen to their pleas. At any rate, the government's reputation has been somewhat tarnished by these actions and left many otherwise grateful refugees embittered. In fairness, though, it must be added that Djibouti has, in the main, treated the refugees well, considering the trying circumstances.

### Conclusion

The Republic of Djibouti remains very much dependent on outside resources for its development

and survival. The majority of the population live in abject poverty. According to a 1980 United Nations Development Program report, the country's rural population is "probably one of the poorest in eastern Africa," and it further adds that "extreme poverty exists in urban environments of Djibouti." This is due to the fact that practically all foodstuffs are imported and prices of even basic staples are exorbitantly high for almost the entire population. Also, there is a high level of unemployment and much underemployment.

The government has actively pursued programs to increase the economic and social well being of its people and to establish a stable administration. It would be fair, then, to conclude that President Gouled's domestic and foreign policies have—so far—stood the test of minimizing ethnic hostilities, securing much needed foreign aid, and establishing good, but cautious, relations with belligerent neighbors.

"Gouled's regional statesmanship combined with considerable success in raising funds for development projects," wrote *Africa News*, "has won him high marks from nations as diverse as Ethiopia, Saudi Arabia and France." Most of the African press praised President Gouled's 1981 peace mission to Ethiopia, Somalia, Sudan and Kenya, including his attempts to help bring about a Somali-Ethiopian reconciliation and to drum up support for the demilitarization of the Indian Ocean. "My hopes and aspirations for the people of the Horn of Africa," President Gouled told *Horn of Africa*, "are that one day they can put down their arms and reach a peaceful settlement." This statesman-like approach will no doubt serve the long-term political and economic development and survival of the Republic of Djibouti.

Osman Sultan Ali, Editor-in-Chief of *Horn of Africa*, visited and spent two weeks in Djibouti in February and March.

\*To clarify matters, the reader should note that the Somali are a group made up of several clans, one of which are the Issa. The territory now called the Republic of Djibouti was created out of the land traditionally populated by both Issa and Afar people. For this reason, the Issa were most anxious to become part of a "Greater Somalia."