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Investigating the detriment of development assistance: A geopolitical analysis of Sino-Djibouti relations through the lens of China’s Belt and Road Initiative

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Abstract

This research paper will evaluate Africa's past with debt accumulation, focusing on the role of the Washington Consensus spearheaded by the Bretton Woods Institutions in its failed attempts to relieve the continent's debt distresses and further aggravate Africa's already fractured relationship with the West. It will highlight the goals of the Belt and Road Initiative, assessing China's South-South cooperation approach to its relations with Djibouti and the Horn of Africa. Specifically, it will investigate claims of China engaging in debt-trap diplomacy and the extent to which this term infringes upon the agency of African leaders. The general research question investigates the extent to which China's encroachment into Africa threatens the sovereignty of these countries, focusing specifically on Djibouti as a case study for the examination of African agency in the face of Chinese project finance. To appreciate the dynamic nature of the BRI, I integrated primary research acquired through three interviews with experts in the field to shape the direction of my paper in conjunction with selected secondary research sources. Ultimately, this paper will serve as a commentary on the shift towards a bi-multipolar world in which the dominant hegemons are deviating from West to East.

List of Abbreviations

BRI – Belt and Road Initiative

BWI – Bretton Woods' Institutions

GoRD – Government of the Republic of Djibouti

IMF – International Monetary Fund

OFDI – Outflowing Foreign Direct Investment

MSR – Maritime Silk Road

PLAN – People's Liberation Army Navy

PRC – People's Republic of China

SLOC – Sea Lines of Communications

Introduction

After centuries of the prolonged subjugation of Africa at the hands of European colonialists, the continent sought to re-establish its position on the world stage, capitalising on its arsenal of natural resources in conjunction with development aid. Towards the East, Mao's successor Deng Xiaoping sought to reform China at its core, embracing market forces conducive to greater foreign trade and investment that facilitated China's integration into the world economy, bolstered by a new age of economic globalisation. Both regions sought to develop their economic and infrastructural capacities as they approached the 21st century.

In September 2013, President Xi Jinping made history by announcing China's Belt and Road Initiative. The mammoth undertaking seeks to enact "a long-term infrastructural development, production and economic integration vision" (Ghiasy & Zhou, 2017), merging its desire to exert its influence and geopolitical strategy to engender connectivity over land and sea through its Silk Economic Belt and Maritime Silk Road components respectively. The initiative targets developing nations specifically, accruing more than 140 signatories in its mission to provide financing for infrastructure and industry projects across the Global South into Eurasia (Sacks, 2021).

The Horn of Africa presents a particular incentive for Chinese investment as a "maritime trade artery linking Africa and Asia," permitting China access to African markets and to the benefits of its strategic location, particularly in Djibouti (Ursu & van den Berg, 2018). Positioned at the entrance to the Red Sea on the Bab-el-Mandeb straight, the Republic of Djibouti has a great strategic geopolitical advantage, one that has not gone unnoticed by a slew of international actors, including the United States, France, and most recently and perhaps most importantly, China. While China poses multiple benefits for the rapid development of Djibouti's infrastructure and industries, its overflow of loans totalling almost $1.4 billion into investment projects (77% of Djibouti's GDP) enshrines an asymmetric power relationship predicated on opaque agreements that strengthen China’s sphere of geopolitical influence in the Horn of Africa and beyond (Cabestan, 2020).

This research paper will evaluate Africa’s past with debt accumulation, focusing on the role of the Washington Consensus spearheaded by the Bretton Woods Institutions in its failed attempts to relieve the continent’s debt distresses and further aggravate Africa’s already fractured relationship with the West. It will highlight the goals of the Belt and Road Initiative, assessing China’s South-South cooperation approach to its relations with Djibouti and the Horn of Africa. Specifically, it will investigate claims of China engaging in debt-trap diplomacy, and the extent to which this term infringes upon the agency of African leaders. The general research question investigates the extent to which China’s encroachment into Africa threatens the sovereignty of these countries, focusing specifically on Djibouti as a case study for the examination of African agency in the face of Chinese project finance. Ultimately, this paper will serve as a commentary on shift towards a bi-multipolar world in which the dominant hegemons are deviating from West to East.

Literature Review

Emerging literature on Sino-Djibouti relations came to a precipice upon China's installation of its military base there in 2017. A dialogue erupted among academics and elected officials alike, speculating on China's plans to leverage Djibouti's strategic position and what this move would mean for the future of the Belt and Road Initiative, with a particular focus on the Maritime Silk Road. The perspectives within this literature are generally informed by one's country's disposition towards China, with Western nations, the US in particular, generally offering dissenting opinions on China's prerogative. In contrast, nations closer to the PRC, like those in South East Asia, tend to advocate for the BRI's expansion.

I divided my research into three main categories, commencing with literature that helped me better understand Sino-Djibouti relations, pre- and post-BRI. I sought literature that gave me a greater overview of China's general relationship with Africa before honing in on Djibouti specifically. For the latter, I honed in on literature by Bangladeshi researchers Fahmida Alam and Samin Farhan Asef at the Association for Interdisciplinary Studies, posing a "Critical Geopolitical Analysis" on "the Implications of the BRI in Djibouti" (2020) which elucidated China's 'geostrategic and commercial objectives' relative to Djibouti, uncovering underlying motivations and global responses.

Next, I searched for literature surrounding China's naval base and the significance of Djibouti to the securitisation of the Maritime Silk Road. For this, I drew from Jean-Pierre Cabestan's "China's Military Base in Djibouti: A Microcosm of China's Growing Competition with the United States and a New Bipolarity" (2019). This evaluated the supposed missions of China's People's Liberation Army Navy (PLAN) at the Djibouti base and emerging contentions between China and the several other military bases residing in the small nation, highlighting the benefits for the Government of the Republic of Djibouti (GoRD).

My last overarching area of focus was investigating claims of debt-trap diplomacy in relation to African agency and whether or not China is excessively lending for the sake of enshrining dominance over its beneficiaries. Two articles were essential to my understanding and critical analysis of the term, namely Jean-Pierre Cabestan's piece on "African Agency and Chinese Power: the Case of Djibouti" (2020) and particularly Stacey Link's "Ascertaining Agency" (2021) chapter in her book on Africa and the Belt and Road Initiative. Link's work was especially useful in rethinking my biases towards China's potential engagement in debt-trap diplomacy in its arguments for the advocacy of African agency, particularly as there is not much existing literature against debt-trap claims that I was able to locate when conducting my research. Overall, I used a range of articles, book chapters and news reports to substantiate my research and finetune my understanding on the topics this paper will seek to analyse.

Research Methodology

To appreciate the dynamic nature of the BRI, I integrated primary research acquired through three interviews with experts in the field to build my foundation of knowledge and shape the direction of my paper in conjunction with selected secondary research sources. During the interview recruitment process, I searched for professionals who specialised in topics pertaining to development, China, and East Africa, hoping to identify those that worked within this nexus. The interviews were essential in introducing a level of nuance into my analysis to ensure a multidimensional approach when writing this paper. These took place in Geneva, helping me to compile a comprehensive range of expert opinions into contemporary Sino-Djibouti relations, but also insight into China's general interactions with the Global South and how Djibouti and the Horn of Africa are only but a fraction of China's longue-duree objectives. I also conducted an interview with an Ethiopian undergraduate student at the University of Geneva to gain insight into her personal experiences and beliefs surrounding China's preoccupation with Africa's Horn countries. I scheduled these interviews through email/Whatsapp correspondence, and the interview at UNIGE was impromptu.

In compiling extensive qualitative data to analyse throughout this report, I conducted secondary research from academic journals, research reports and government websites to ascertain the relevant information and statistics pertaining to the expansion of China's BRI into Djibouti. As these events are relatively new and unfolding, there is a plethora of literature from academics globally who are able to provide dissenting perspectives, though they are disadvantaged by their inability to integrate current events as they occur into their analysis, which is crucial in evaluating China's ever-evolving project.

To ensure proper consideration of ethics, I gave all of my interviewees the option of anonymity in this report, such that their identities may be excluded from any publication or sharing of my findings as well as informing each interviewee of their right to forgo any questions or the interview in general if they did not wish to participate. In addition, completing the Human Subjects Review Application Form primed my awareness of the impact of my conduct during these interviews, appreciating that I both represent myself and the School for International Training during these encounters.

Analysis

I. Historicising African Debt and Sino-African Relations

History of African Debt

The end of the Second World War induced nationalist sentiment among many Africans to fight against a weakened Europe, resulting in the consequent decolonisation of dozens of African states throughout the mid to late 20th century. For the first time in centuries, these nations were afforded autonomy over the conduct of their statecraft, liberating many from European exploitation while creating power vacuums between domestic forces vying for control over these newly independent states.

The following decades were crucial for Africa's development, domestically and on the world stage. Many countries sought to bolster their trade capacities and use their plethora of natural resources as a bargaining chip to consolidate their position as pivotal actors in the international economy. Researcher at Ghent University Faiza Osman elucidates that the onset of the oil crisis in the 1970s marked the beginning of an economic crisis and depression among newly independent African states, characterised by an "increase in foreign debt, decreasing per capita income [and] an increase in government deficits" (Osman, 2021).

Instigated by the United States' support for Israel during the Yom Kippur War in 1973, the Gulf countries rallied in support of Arabs, particularly Palestinians, by increasing oil prices and entering into an embargo with the US (Osman, 2021). The ensuing costs of primary commodities like cocoa and tea "rose exponentially", particularly benefitting African nations who used these price increases to expand their public spending, seeking larger external debts to barter the costs incurred from their spending habits (Osman, 2021). Despite the eventual decline in commodity prices, African governments “continued borrowing in order to continue spending” (Osman, 2021), strapping themselves with a debt they believed necessary.

The second oil crisis brought about an inevitable reality for these African governments still seeking debt in the pursuit of “highly expansionary fiscal policies and costly development programs” despite the looming recession among OECD countries, Africa’s main benefactors (Osman, 2021). Worse yet, many of these policymakers didn’t conduct the necessary foresight to ensure these projects would yield adequate returns to mitigate the damage from the debt taken, aggravating Africa’s precarious economic situation. Consequently, a steep rise in interest rates lowered inflation among Western nations and “crippled highly indebted countries' ' that relied on commercial loans to grow their economy and institutional frameworks (Osman, 2021).

Moreover, the unfolding of the debt crisis across global economies during the 1980s engendered a shift towards the emergent Washington Consensus, in which focus was recast from “project finance to the funding of 'policy reform and the implementation of neoliberal economic practices spearheaded by the IMF and World Bank,” (Brown, 2004) as proxy institutions for the United States’ omnipresent imposition of power. As a body focused on sustainable economic growth and achieving financial stability, the International Monetary Fund intervened in order to remedy the economic decline facing many developing nations. The IMF initiated their structural adjustment programs, a set of restrictive fiscal policies and conditions attached to loans, giving the IMF complete control of how many nations in the Global South ran their economies (Osman, 2021).

These conditions included measures such as “privatisation of public services, trade liberalisation, currency devaluation [and a] reduction in subsidies and public spending” (Osman, 2021). This instance of total fiscal austerity forced governments to implement steep cuts in public budgets for education and social services engineering greater social unrest and further exacerbating the existing problems that had first crippled African economies. The consequences for all echelons of African society were grave, characterised by “the collapse of social services, a seven-year drop in life expectancy, increased unemployment among young graduates, slower industrialization, and created chronic food shortages” (Osman, 2021) among a plethora of other repercussions that cemented a loss of trust between Africa and the predominant international financial institutions.

The emergence of Sino-Africa relations

As Africa embarked on its post-colonial era, it still sought dependencies where possible to shape its capacities to a standard that could rival other nations in the international community (although many of these nations have had centuries' worth of a head start). As stated, many African nations looked to Western nations for foreign direct investment in the form of commercial loans and development aid. The Soviet Union also played an instrumental role as decolonisation occurred against the backdrop of the Cold War, allocating financial and military resources to encourage an increase in communist regimes throughout the continent.

At this time, China was going through a reformation of its own, seeking to cultivate relationships with other nations in the Global South to build a roster of alliances that would allow it to “consolidate its role as the leader of the communist world [as a] counterforce to western imperialism" (Osman, 2021) similar to the motivations of the USSR. Africa proved a necessary counterpart in repositioning China on the global stage, providing the essential votes that secured China's seat on the UN Security Council and General Assembly, as well as aiding China in its desire to delegitimise Taiwan's sovereignty and standing in the international community (Osman, 2021).

In 2000, China announced its GoGlobal! Strategy, providing "a means of catapulting China's economy to new heights, helping push it into advanced growth, and further incorporating it into the global economy," seeking to engage in OFDI to enshrine the nation as a "major investor, particularly in emerging market economies" (Osman, 2021). This was particularly significant for Africa, with many nations still reeling from the impacts of the debt crisis and ensuing structural adjustment disasters. China's continued focus on developing strategic partnerships with African states through summits like the tri-annual Forum for China-Africa Cooperation laid the foundation for the amicable relationships we see now between China and Africa, catalysed and strengthened by the PRC's Belt and Road Initiative (Osman, 2021).

II. China's Belt and Road Initiative

Announced in 2013, China's Belt and Road Initiative (BRI) acts as an instrument behest to the will of President Xi Jinping through which China can concretely and pervasively expand its scope of influence, connectivity and dominance through Eurasia, Africa and the Pacific, reminiscent of the objectives of the initial Silk Road under the Han dynasty.

The project can be divided into two components, namely the Silk Road Economic Belt and the Maritime Silk Road. The former seeks to construct a comprehensive network of "overland road and rail routes, oil and natural gas pipelines, and power grids" (Callahan, 2016) to increase connectivity between Western China and Central Asia, revitalising historic trade routes connecting Asia to Europe and beyond. The latter endeavours to establish a far-reaching "network of ports and other coastal infrastructure projects" to secure relations between China, South Asia, East Africa (particularly the Horn states) and the Mediterranean and bolster China's blue economy(Callahan, 2016).

This revolutionary endeavour primarily seeks to engender infrastructural development in regions that have been unable to fill this vacuum independently, as China ostensibly perceives infrastructure as the bedrock of development. Its five pillars build on this core component, focusing on strengthening "policy coordination, infrastructure connectivity, unimpeded trade, financial integration [and gaining an] understanding of the people " they seek to serve and connect (Mendez et al., 2022). Though largely neoliberal, this development strategy is unique in its hands-off approach to development funds. Unlike the established paradigm of conditionality among the BWIs, China doesn't necessitate democracy or fiscal austerity. Instead, it devises projects bilaterally with a nation's leader and provides the loan necessary to enact them.

While the BRI has done much to transform many African economies through improved trade, infrastructure development and other means, the greater question of China's true intention is a contentious topic garnering speculation from many academics and elected officials alike (particularly in Western spheres). China's BRI plans are notoriously dubious, leaving much room for conjecture around the project as an asymmetric power tool to further China's economic and political leverage in developing nations. Its increased fixation on the Rimland, comprised mostly of North Africa, the Middle East, and Eastern Europe, is important to note as, according to American political scientist Nicholas Spykman, the power in control of the Rimland would eventually control the world islands, soon controlling the entirety of the World (Chakravartti, 2023).

The enduring opacity surrounding the Belt risks has exacerbated a considerable amount of international backlash from its opponents, particularly with concerns surrounding the debt sustainability from China's excessive lending, and the extent to which the nation engages in 'debt-trap' diplomacy "to gain geopolitical leverage by trapping poor countries in unstainable loans," (Were, 2018). Despite this speculation, China has always kept its cards close to its chest, calculating its long-term geopolitical strategy in a way that takes time to materialise and develop across generations and administrations per its longue durée (Mohamedou, 2023). In this way, it is not surprising that the true nature and specificities of the BRI are unknown to most, even those signing memorandums of understanding to join the project. This seemingly enrages the United States government, the principal source of speculation surrounding China's BRI, particularly with Xi Jinping's installation of a naval base in the small nation of Djibouti in the Horn of Africa, China's first overseas military base of great geopolitical significance.

III. Background on the Republic of Djibouti

Located in the heart of Africa's Horn, the Republic of Djibouti is a small country with a landmass of only 23,000 sq km and a population of just over a million (Brass, 2008). Like many African nations, Djibouti had been under the subjugation of French colonialists since 1888, when the latter established their colony in Somaliland, positioned on the territory of present-day Djibouti (Brass, 2008). After a slew of referendums propagated by the Issa-Somali community against the wishes of French authorities in the region, the nation gained independence in 1977, setting the foundation for the polity we see today (Brass, 2008).

Djibouti's natural resource arsenal is palpably weak, with "virtually no arable land, no permanent freshwater source, no significant mineral resources, very little vegetation and severe, persistent droughts" (Brass, 2008). It is unable to leverage its physical assets in a manner typical of many African nations. What distinguishes this nation is its sheer geopolitical prowess due to its strategic location at the "gateway to the Red Sea on the shipping routes between the Indian Ocean and the Mediterranean", with unparalleled access to the Bab el-Mandeb Strait that connects the Gulf of Aden and the Arabian Sea to the Suez Canal (Brass, 2008). These points are of critical importance as one of the primary passages for the flow of oil and maritime trade, with more than 6 million barrels of crude oil and petroleum passing through the Gulf of Aden every day to nations across Europe, the US and Asia (Shen, 2019).

Djibouti's proximity to these geopolitical assets has aroused great interest from dominant powers in the international community who seek to benefit from Djibouti's strategic position, generating multiple avenues of revenue for the government of the Republic of Djibouti (GoRD), relying on its location to prop up its GDP. This includes rent paid by the several foreign military bases that occupy land in the country, with the United States and France spending approximately $30-36 million yearly to the GoRD (Brass, 2008).

The strength of Djibouti's statecraft and polity are intentionally undermined by its leadership. There is very little priority for the advancement of Djiboutians, with five-term President Guelleh misdirecting investments into high-revenue producing sectors, focusing on short-term economic goals while neglecting necessary investment in education and economic diversification (Brass, 2008). Because the nation's leaders are not behested to their citizens for revenue through taxation, there is a strong incentive to ignore their plights, indicating a failure to "create an accountable relationship between the governed and the governor" (Brass, 2008).

The political framework of Djibouti silences the voices of the electorate, giving President Guelleh free rein to act through unilateral Presidential Decree, extending his political control not only into the other branches of government but in the economy (Brass, 2008). The "false or dual economy" produced by "elites and foreigners from the large expatriate community"(Brass, 2008) creates insurmountable surges in the prices of common goods, making the cost of living increasingly difficult for the average Djiboutian. The lack of a diverse economy stagnates Djibouti's potential market growth, as developed industries are largely non-existent or underdeveloped. Sectors like livestock production and the fishing industry boast great potential for growth, contributing to "good security, export revenue and employment" (Brass, 2008). However, the desire to develop these industries are seemingly falling on deaf ears as the GoRD fails to prioritise, remaining the nation's largest employer, ultimately benefiting the government as "the many people reliant on the government for their livelihoods are unlikely to protest too loudly against it" (Brass, 2008).

Brass (2008) describes the legislature as highly ineffectual, acting "primarily as a rubber stamp for the president" in congruence with an exceedingly defective rule of law in which the "constitution is frequently disregarded." She alludes to the calculated use of resource rents that cultivates support for the centre by "distributing resources to key constituencies, rather than developing the country as a whole" (Brass, 2008).

It seems as though the government is more concerned with finetuning its strategic dominance as opposed to genuinely caring for and desiring the development of its citizens. Brass (2008) attests that the "GoRD maintains a very short leash on criticism, free speech and free assembly," wielding complete control over the media and internet, as well as civil society organisations (Brass, 2008). It becomes increasingly clear that not only is the country largely undemocratic, but intentionally pacifies its citizens by keeping the educated populace small to lessen opportunities for opposition forces to rise up against the GoRD's arbitrary schemes. At present, there is a measly literacy rate of 27% among adults, with only a minute section of Djiboutian society receiving post-secondary training, down from an already low 43% primary school enrollment (Brass, 2008). This is, by all means, deliberate, as "a skilled populace threatens those guarding access to resources through the state" (Brass, 2008).

Above all, Djibouti lacks essential infrastructure, with a third of the population without reliable water access and electricity unavailable to the majority of citizens (Brass, 2008). Brass (2008) alludes to the dire reality of the "average Djiboutian [having access to] only one hospital in the country, [with] eighteen doctors per 100,000 people." Considering these factors, it was only a matter of time before the GoRD sought assistance for infrastructural development from a source that would supply huge cash injections without necessitating a change in regime or conditions that would disturb Djibouti's established paradigm, transitioning Djibouti into the GoRD's desired position as the new Singapore of Africa.

IV. South-South Cooperation between China and Djibouti

Sino-Africa relations reached a new peak in 2012, when China became Africa's largest trading partner, signifying the inevitable decline of the United States as a necessary trading giant in Africa (Were, 2018). China's influence over the continent has proliferated in part due to Xi

Jinping's 'five-no' approach to Chinese involvement in African affairs in its BRI objectives. This strategy predicates itself on the values of non-interference, committing to:

> "no interference in African countries' pursuit of development paths that fit their national conditions; no interference in African countries' internal affairs; no imposition of our will on African countries; no attachment of political strings to assistance to Africa; and no seeking of selfish political gains in investment and financing cooperation with Africa" (US Institute of Peace, 2020).

Here, we see China positioning itself as an ally in its truest sense, providing Africa room to manoeuvre and carry out projects to their discretion without imposing itself into the fabric of the nations' political framework, focusing on peaceful development as opposed to peaceful democracies (Chakravartti, 2023). China uses the South-South cooperation slogan to accentuate its common identity with African countries as part of the developing regions in the Global South to bolster support for its BRI. In essence, the term refers to the "pursuit of development objectives by enhancing countries' capacities through exchanges of knowledge, skills, resources and technical know-how" (Ursu & van den Berg, 2018), highlighting the fundamental aspects of contemporary Sino-African relations. Above all, China and Africa's vision for the future align, "completing each other in their goals of infrastructural development, industrialisation, peace and security," implying a high level of synergy between China's BRI and the African Union's Agenda to advance the goals of pan-African development (US Institute of Peace, 2020).

China wields this approach in its relations with Djibouti, leveraging its financial capacities to draw the two countries closer. In the last ten years, China has loaned a considerable amount to Djibouti in a mixture of concessional loans and grants, totalling around $1.4 billion, becoming Djibouti's main source of funding for infrastructure as well as its main trading partner (Cabestan, 2020).

The modernisation of the railway between Djibouti and Addis Ababa was particularly significant, serving as the "main transport corridor for Ethiopia to its gateway [through] the Port of Djibouti, which handles over 90% of Ethiopia's international trade," in pursuit of strengthening economic and social integration in the region as well as facilitating trade and industrial development (Global Infrastructure Hub, 2020). It marks the continent's first transnational electric highway, enabling the crossing of greater amounts of cargo in much less time (just 12 hours) (Global Infrastructure Hub, 2020). Moreover, Chinese investment in the project seeks to develop Djibouti's manufacturing industry to diversify its economy and create much-needed employment opportunities for its citizens. However, Amara Imamu (2023), an Ethiopian undergraduate student at the University of Geneva, attested to the dire working conditions and low remuneration the workers would have to endure, with little regard for their health and safety, having witnessed the consequences through family and friends.

Be that as it may, similar Chinese projects have been instrumental to Djibouti's development, including the Djibouti-Ethiopia Water Pipeline (2011), the Ghoubet Port (2013) and the multipurpose port in Doraleh (2013) (Cabestan, 2020). Most significantly, the introduction of the Djibouti International Free Trade Zone (2015) marked a turning point in the conduct of Djiboutian trade with the world economy, boosting its position as a hub of international commerce at a hefty price of $3.5 billion (Cabestan, 2020). China's continued involvement in Djibouti has created a dependence of the latter on the former, as Djibouti becomes fundamentally intertwined with Chinese financing. China's decision to launch its first international military base in Djibouti in 2017 further cemented this partnership into history.

V. Role of China's Naval Base in Securitising the Maritime Silk Road

The Maritime Silk Road (MSR) plays a pivotal role in the BRI's ability to expand its scope of influence, focusing on strengthening its blue economy to rival that of its peers. Ensuring the security of the MSR is integral to Jinping as "maritime trade is the primary engine sustaining China's national economy," with the majority of China's international trade being transported by sea (Ghiasy et al., 2018). This desire is furthered by China's lack of a strong naval network to protect its maritime interests. Thus, China is incentivised to form 'blue partnerships' with nations with strategic maritime capacities, "seeking ownership of foreign seaports along strategic transit channels through land-use agreements between Chinese state-owned enterprises and local authorities" (Ghiasy et al., 2018). Here, we see the foundation for China's announcement of its naval base in Djibouti in 2017, another step in maintaining the security of its MSR.

China posed its military base as a 'logistical support facility' to provide support and rehabilitation for Jinping's People's Liberation Army Navy (PLAN). However, it boasts military personnel of 2,000 men and is strategically positioned at the mouth of the Bab el-Mandeb Strait, implying a more complex, underlying strategy under the covert conduct of Jinping and his army (Cabestan, 2020). A 10-year lease was agreed upon between the Chinese government and the GoRD, with rent payments totalling $20 million annually (a much lower rate than its fellow great powers in the region) (Cabestan, 2020).

In reality, the Red Sea is "one of the world's busiest waterways, critical for the trade and transport of oil and liquified natural gas" (US Institute of Peace 2020), indicating China's deep incentive to secure their sea lines of communication (SLOC) within these waterways to prevent any possible disruptions in the flow of oil and LNG. Positioning itself within Djibouti allows for direct supervision of these routes, working to both securitise the MSR and also to "better protect commercial exchanges with Africa, large-scale infrastructure projects realized there and Chinese nationals, over a million, residing in Africa" (Cabestan, 2020). Thus, Djibouti continues to prove itself as a necessary player in China's Belt and Road Initiative.

China has many goals for its Djiboutian naval base, primarily to securitise its SLOC and transportation routes, but also to conduct anti-piracy and peacekeeping operations in a region known for political instability and civil warfare, using the security situation in Sudan and South Sudan to substantiate its claims (Cabestan, 2020). However, there has been a notable decline in the frequency and scale of piracy activities in the horn, as well as a lack of reports of Chinese peacekeepers making use of the Djibouti port.

Perhaps it can be argued that the base's 'official missions' have been "used more as a justification than as a driver of the Chinese facility's construction" (Cabestan, 2020), a palatable defence against incessant Western speculation. In reality, China's military base allows its PLAN to achieve the pivotal goal of gaining a strategic advantage over the US presence in the region, permitting the Chinese government oversight into the activities of its rival on the same soil. Accompanying the United States are a plethora of global powers in the region, including France, Japan, Saudi Arabia and Germany, all vying for a share in Djibouti's strategic location (Shen, 2019). Cabestan (2019) astutely describes Djibouti's current purpose, highlighting the nation as a "microcosm of China's growing competition with the US as well as of a multipolar world heading towards a new bipolar … order." There is also palpable tension between China and the French, with the latter fearing its looming irrelevance in the region as China establishes a deeper relationship with Djibouti, relegating the French as a marginal actor instead of a primary one (Cabestan, 2019).

VI. Investigating Claims of Debt-trap Diplomacy

When news about China's BRI emerges, the argument of debt-trap diplomacy will soon follow. The term refers to "a state deliberately [lending] an excessive amount of money to a borrower nation with the aim of extracting financial or political concessions when the borrower can't pay" (Alam & Asef, 2020). It implies a systemic, calculated approach to development assistance predicated on the asymmetrical financial capacities of benefactor and beneficiary. A debt trap suggests an intentional and covert subjugation, leveraging promises of development to deepen partnerships and incentivise indebtedness.

China's offering of billions in concessional loans at interest rates much lower than the market price with longer grace periods propels leaders of many developing nations to sign onto China's power project, particularly when there is very little alternative to this condition-free cash. However, the level of obscurity surrounding these agreements have been subject to much speculation, escalating assumptions of debt-trap diplomacy as Western scholars propagate the narrative that "indeterminacy and ambiguity allows Beijing strategic room for manoeuvre" (Mendez et al., 2022).

For many Africans themselves, their contention with the BRI and China's alleged debt-trapping derives from their consternation surrounding the appropriation of funds by governments known for high levels of corruption. Many of these kleptocratic administrations are already dubious in their affairs, potentially worsened as "the opaque nature of the debt provision by China to Africa makes the real effectiveness and affordability of the debt unclear" (Were, 2018), increasing concerns about whether these development funds will ever be felt by the people living in the nation, whose welfare state (or any semblance of such) is threatened by necessary debt repayments for projects they did not agree to.

There are multiple reasons that explain China's willingness to loan in excess to African nations, most of which bolster China's self-interests. Primarily, China's support for infrastructure financing is ostensibly at the heart of its objectives, "enabling faster and cheaper transportation of African natural resources to the Chinese economy and allowing for the deeper penetration of Chinese goods into the continent" (Were, 2018). Better infrastructure benefits Africa by benefitting the Chinese - nothing is done altruistically but instead for the advancement of China's strategic interests. In addition, a plethora of business opportunities are created for Chinese contractors as African debt grows, "creating international opportunity for Chinese companies and employment of [their] personnel" to manufacture a dynamic in which African debt to China allows the latter nation to pay itself through contracting, presenting a win-win situation for China (Were, 2018). Moreover, commodity-backed loans allow China greater access to the continent's natural resources as a form of repayment, substantiating claims of China leveraging its soft power capacities to have access to resources that were once pillaged for by Western forces.

However, the narrative of China engaging in debt-trap diplomacy is simplistic and reductive, negating the fundamental agency of African leaders' decision-making competencies. Links (2021) elucidates this discrepancy between the narrative and reality, stating, "dominant discourses on China-Africa relations have often relied on binary understandings… that reduce representations to Africa as victim and China as perpetrator." It assumes that China's relative power negates any semblance of African agency, reverting back to age-old narratives propagated by the West of a helpless Africa, one that needs saving from an aggressor, incapable of acting in their best interests without being coerced or manipulated. Just because the economic positions of both regions are largely asymmetric doesn't necessarily warrant a power imbalance, just as "material power does not dictate agency, and structural constraints do not always impede on it" (Links, 2021). Mohamedou (2023) alludes to the deeper story of the West losing its self-imposed centrality in the world, a tough wake up call for its gradual but assured loss of its hegemony.

In actuality, African leaders are the actors spearheading Sino-Africa relations, "shaping and steering engagement" based on their relative needs and objectives (Links, 2021). This is particularly true for the GoRD, whose involvement with China aligns directly with President Guelleh's ambitious Vision Djibouti 2035, appropriating Chinese funds to bolster Djibouti's goals of poverty reduction and economic growth through the cultivation of its private sector (Cabestan, 2020). Not only has China shown a consistent willingness to indirectly aid this proposal, but it is one of the only economically developed nations actually offering the assistance Djibouti needs without an arsenal of prerequisites. What is now essential is the implementation of effective project and debt sustainability management schemes to ensure the money ends up where intended and debts are extensively accounted for (Cheng, 2023).

Djibouti has made several strides to affirm its agency in the face of debt-trap claims. There have been many instances of the nation renegotiating its financial commitments to China to lessen its debt distress. For example, Guelleh argued for a revision of the loans awarded for the water pipeline and railway projects in and around Djibouti City, to which the Exim Bank (China's chief bank for allocation of development funds) restructured the interest rate, lowering it substantially while extending the grace period of repayment to give Djibouti more time to remedy the amount it is meant to repay (Cabestan, 2020). Many infrastructure projects were even postponed or cancelled completely, like the initiative to build a new airport close to the capital with a price tag of $600 million, failing to materialise as Guelleh reckoned with Djibouti's current indebtedness (Cabestan, 2020).

Moreover, Guelleh and his cabinet continue working closely with the IMF to navigate its debt burden, despite the legacy of BWI involvement in Africa. The reality is that this fund exists to provide guidance and avoid financial crises, something that Djibouti should get ahead of before it succumbs to its debt problem. Among advice to stimulate private investments through the expansion of its private sector (a pinnacle focus in Vision Djibouti 2035), Djibouti seeks to diversify its partnerships with creditor nations, leveraging its position as host to 8 countries' military bases and looking to countries like Saudi Arabia for its much-needed project financing, while conserving its relations with pinnacle actors like France and the US who fear isolation as Sino-Djibouti relations strengthen (Cabestan, 2020).

Ultimately, whether it is a narrative curated by the West to justify their moral panic over China's inevitable ascension as a focal power in the international community or a more lethal reality of China's design, debt-trap diplomacy is real and its consequences readily apparent. We don't need to look much further than the case of China's 99-year lease on Sri Lanka's Hambantota port, in which the latter's inability to repay China's substantial loans has left it indebted to its creditor for a century (Tonchev, 2018). However, this is one case among a slew of successes conducted through the Belt and Road Initiative, and these wins should not be ignored. Instead of impressing our own biases or judgements of how African leaders should feel or react to China's encroachment into their economic frameworks, we should trust their better judgement and aspirations for what their nations can become. Above all, we should be listening to the opinions and desires of the citizens themselves, how these projects serve them, and whether they believe these 'debt-traps' have tangible consequences on their livelihoods.

Future Scenarios and Concluding Remarks

As proved by the rapid expansion of its networks across land and sea, the Belt and Road Initiative is in a process of constant evolution and reformation, shifting the hegemonic order of the international community in its wake. Conducting foresight analyses can aid the anticipation of the future of the BRI, using our understanding of China's disposition to plan according to its longue-duree objectives to pre-empt their next steps.

This paper raises two diverging possible scenarios, one of inevitable increased competition with the West, in which superiority over development finance is used as a proxy to engender a lasting shift in the current hegemonic power structure between front-running powers. The other possibility finds itself on the other axis of the argument, referencing the potential cooperation between China and the EU and the US as their mutual interests converge, with both sides benefitting from some degree of inclusion of the other.

According to the Common Integrated Risk Analysis Model (CIRAM), the probability of the first scenario occurring in the medium term (over the next ten years) is possible (3) with a major impact level (4), amounting to a tolerable risk level of 12 in congruence with the Risk Analysis Matrix. This highlights the potential for a widespread reconfiguration of the governance and conduct of the multilateral and international financial institutions that currently govern the international community, presently being threatened by the emergence of powers among the Global South (including the BRICS alliance, among many others). The waning strength of the chief North Atlantic States, particularly the EU, from its initial peak of influence post-WW2 is apparent to many academics, especially since the onset of the 2008 financial crisis.

The alternate scenario alludes to the cooperation of China with Western forces to bolster the growth and acceptance of the BRI in the international community. The possibility of this outcome is unlikely (2) with an undeniable severe impact (5). While the overall risk level is tolerable, this scenario has revolutionary potential in its ability to alter the current sparring dynamic between the two predominant hegemons, proving their capacity to co-exist for their mutual benefit. We see the marginal influence of Western modes of development encroaching into the BRI as China moves to enhance transparency in its bilateral dealings with African nations, in which "Chinese banks have adopted increasingly hardline lending conditions, while shifting priorities to small and medium-sized businesses, green projects, and private investment" to curb corruption (Bonner, 2022).

To conclude, China's BRI will continue to reconfigure the world as we know it, aiding in the ascension and integration of developing nations into the world economy. Djibouti benefits from having this political giant as its main trading partner, creating new avenues for previously unfeasible development. China's preoccupation with this region of Africa is readily apparent, consolidating the securitisation of its MSR as well as gaining a foothold on its rivals in the area. The convergence of Chinese and Djiboutian interests presents a synergy that implies a degree of interdependence within their relationship, although innately asymmetric.

Despite this asymmetry presenting great causes for concern among many in the international community, it is pivotal to forgo the reduction of African nations to pawns in the game of world domination that China has been accused of spearheading. Djibouti's Finance Minister Ilyas Moussa Dawaleh attests that "Chinese loans are crucial for preventing an eruption of protest among Djibouti's poor and unemployed" (York, 2019) due to the employment schemes generated by the continued expansion of the BRI into Djibouti. Dawaleh goes on to profess that:

"We want our other partners to help us – not just tell us about the Chinese debt trap. Maybe they think they are attacking China, but they are disrespecting Africans. We are mature enough to know exactly what we are doing for our country" (York, 2019).

Ultimately, debt-trap diplomacy is part of the reality of development finance, but the prerogative of the borrower should be factored over all else.

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