Economic Integration as a Peacebuilding Strategy in the Horn of Africa with Particular Focus on Ethiopia and Its Four Neighbours

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Abstract

The quest for peace is a longstanding objective of national governments and development partners in the Horn of Africa. Political negotiations between conflicting parties and the promotion of regional economic integration spearheaded by the sub-regional economic communities are among the most prominent attempts by member states and their partners with the objective of promoting regional peace. However, peace is still illusive in the region. This paper suggests the adoption of an incremental peace project spearheaded by limited sectorial cross-border cooperation. It summarizes the main theoretical approaches to cross-border cooperation and provides a summary of the current political environment of the region, highlighting its defining features. It further reviews the European Union experience, for comparative reasons, which may inform us the way forward, based on the key lessons from that experience.

Keywords: Cross-border cooperation, Liberalism, Realism, Supranational, Intergovernmental, and Hybrid approaches

Introduction

Located in the Eastern part of the continent, the Horn of Africa consists of Sudan, Ethiopia, Eritrea, Kenya, Djibouti, Somalia, South Sudan and Uganda. Drought, famine, civil war and state failure have long been the defining features of this region. Most of the problems have a dominant transnational/regional character. Social and economic problems in a country have intended as well as unintended spillover effects on neighbouring countries. For instance, pastoralist conflicts in the region are not strictly limited to national boundaries although most of these communities are divided by the political boundaries of the states. The impact of conflicts caused by policy failures, exacerbated by climate change and natural resource degradation, transcends national boundaries. The region has repeatedly

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witnessed direct violent conflicts and proxy wars\textsuperscript{17}. One can also see that in a complex environment where such wars take place between states, the impact of violence in one country seldom stops at its own borders.

The objective of the paper is to examine cross-border cooperation as a regional peace project in the Horn of Africa. Key objectives are to succinctly discuss theoretical approaches to economic integration with an empirical evidence from the European Union, highlight the key features of the Horn of Africa conflicts, discuss whether cross-border economic cooperation will serve as a peacebuilding project in the region, and highlight the preferred approach when and if such a project is feasible.

With these objectives, the paper in discussing conflicts in the Horn, preferred to focus mainly on investigating Ethiopia’s experiences with its neighbours\textsuperscript{18} as such a delimitation allows to have a focused and in-depth discussion on the matter. The nature and form of each of the cross-border conflicts in the Horn are varied but they all are similar in having a regional aspect connecting to at least two or three of the neighbouring states. It is from this perspective that this paper intends to investigate whether cross-border economic cooperation could be utilized as a way of promoting a regional peace project in Ethiopia and its neighbours. The paper limits its discussions to a specific area of integration, namely economic integration, as any discussion of all aspects of regional integration would require more space and goes beyond the limits of this article. The paper will also include a high-level review of the European experience, since this provides us with a comparative experience of a successful regional peacebuilding project. The paper has five sections:

The first section reviews the literature addressing the different approaches to cross-border cooperation. The second section looks at the experience of the European Union covering its genesis through a focused discussion of the key historical milestones in the process, and summarizes the major enabling factors for the success of the EU project. The third section covers the challenges of borders taking Ethiopia’s unique border challenges as an example and highlighting the regional

\textsuperscript{17} For example, the Ethio-Somali wars of 1977 and 1982; the Ethio-Eritrean war of 1998; the Eritrean Support to Ethiopian armed opposition groups and the Ethiopian support to Eritrean armed opposition groups; The support of Uganda for the SPLA and the support of Khartoum to the LRA can be cited as examples of wars and proxy wars.

\textsuperscript{18} Eritrea, Djibouti, Somalia, Kenya, Sudan, and South Sudan are Ethiopia’s neighbours.
dimension of all its conflicts, recognizing their individuality. The fourth section presents an indicative proposal to the way forward for the Horn of Africa in light of the EU experience. The fifth section is a conclusion.

Theoretical Perspectives on Cross-Border Cooperation

States with integrated and interdependent economies are less likely to get into conflict. With more integration and interdependence, the stakes to maintain peaceful relationships grow and more space is created for peaceful resolution of disputes and conflicts among states. Trust and understanding of each other’s interests and priorities develop in the process of integration and a bottom-up demand-driven pressure for peaceful co-existence develops in such a process.

Although there are several theoretical approaches to economic integration, these reviews focus on the three main approaches to cross-border peacebuilding, namely: the supranational approaches, the inter-governmental approaches and the hybrid approaches.

The Supranational Approaches

The supranational approaches are approaches that emphasize the role of economic factors in encouraging cross-border cooperation. These approaches assume that all actors (including state owned enterprises, multi-national corporations and non-governmental organisations), driven by maximizing self-interest, act rationally and are considered to reasonably follow the logic of economics to address their interests in this interdependent world. There are functionalist and neo-functionalist approaches within this category.

Functionalists suggest that the significance of borders between states decreases when power is shared over a range of functions for cross-border cooperation in order to address common economic problems. Such cooperation and functional integration becomes essential as states begin to recognize that the material needs of their nations cannot be satisfied without cooperation (Tannam, 1999: 9).

The reduced capacity of states to meet and satisfy complex human needs locally and an increasing cost of war push states to cooperate with each other by establishing supranational bodies or institutions to meet the complex and various needs of their citizens (Kurt, 2009: 45). As a result states are increasingly forced to delegate
more responsibilities to functional institutions, for example, international trade is unthinkable without an international banking system.

Functionalist approach rejects the emphasis on political aspects of cooperation as elites and politicians, for fear of losing sovereignty, rather tend to entrench borders and deepen opposition among domestic interests to their erosion. It rather suggests that the focus should be on a bottom-up approach which encourages economic interdependence between communities, continuously erodes the border divisions and, over time eliminates political conflicts that emanate from narrow ethno-centric perspectives.

Without opposing the key role of economic cooperation as a driver of political integration, neo-functionalists emphasize the need for supranational institutions to create a policy environment for economic cooperation. The concept of ‘spillover’ is central to the neo-functionalist approach. It assumes that effective economic cooperation encourages political integration. Hass, who is regarded as the ‘father’ of neo-functionalism, notes that “certain kinds of organisational tasks most intimately related to group and national aspirations can be expected to result in integration even though the actors responsible for this development may not deliberately work towards such an end” (Harry and Angus, 2008:56). Differing from the functionalist approach, neo-functionalism recognizes the role of elite activity at a supranational level in creating a policy environment for economic cooperation.

In summary, functionalist approaches call for a peace and security project which focuses on enlarging the economic space through the expansion and empowerment of functional institutions. No direct reference is made by the elite groups to peace and security and/or calls for peace and security-related negotiations and political processes (Moller, 2008:30). They both call for a deliberate neglect of political negotiations and instead advocate a rather ‘bottom-up’ approach, achieving peace without explicitly stating that this is the objective. This might be true in nations with dynamic economies having greater value-creating capacity like the industrialized nations but difficult in weak economies with little value-creating capacity and the power of the states is unchallenged.

The economies of the Horn of Africa countries, for example, are based on basic agriculture and natural resource exploitation and create very little value. There is
insignificant functional integration observed and the role of states in stimulating such cooperation seems to be fundamental thus making the functionalist approach less likely to work.

**The Intergovernmental Approaches**

In contrast with the functionalist approaches, the intergovernmental approaches stress the role of sovereign governments in managing international relations. These approaches are based on a realist understanding of state power as something that establishes and maintains an individual state’s control over other states (Tannam, 2004:2). States are not equally affected by each other’s behaviour; stronger states are less affected by the behaviour of weaker ones and are more capable of influencing the behaviour of others. As a result, states focus on maintaining their autonomy and develop a strong drive for power and maintain their autonomy as much as possible.

Building on the realist conception of power, neo-realists see power as expanded beyond military power including additional capabilities such as economic power expressed in terms of possession of raw material resources, the ability to control markets, the possession of sources of capital and the existence of competitive advantages in the production of highly valued goods (Strange, 1982: 482). Neo-realism also realizes the decreasing national economic autonomy as a result of the increasing interdependence of the modern world and appreciates the increased power and importance of supra-national intergovernmental settings. Once created by the consent of states, supranational rules and institutions influence the conduct of the states in terms of their relationships (Buzan, 1993: 334).

The realists recognize that a crisis in a major economy affects other states, no matter how tightly they manage their own national economies. Any cross-border cooperation agreements that states enter into are dependent on their calculations of how to protect their national values; therefore, economic cooperation between states is only possible to the extent that it meets these requirements. Neo-realists, without reneging that the key source of power resides with the sovereign nation state, recognize the increasing role of supranational institutions in influencing state relationships.

These approaches clearly recognize the power calculations of sovereign states, while
falling short in terms of recognizing the role that strong states and international institutions play in influencing the decision making power of other sovereign states, an influence that is achieved by providing normative frameworks, incentives and sanctions related to the implementation of the norms. The power of functional supranational institutions, particularly in weaker economies, is significant as the economies of those weaker states rely very much on foreign funding in the form of soft loans, grants and development cooperation agreements. In such situations, supranational institutions have the potential to share the sovereign power of the states, as well as their autonomous decision making capacity.

The Hybrid Approaches

The third category can be summarized as hybrid approaches (Tannam, 2004:7). These approaches are a hybrid of neo-functionalism and neo-realism and include liberal institutionalism, consociationalism and multi-level governance approaches.

Liberal institutionalism recognizes the growing interdependence of the world and the growing role and importance of international regimes in setting norms and rules. It focuses on the distinct nature of international intergovernmental bargaining in a multilateral regime and realizes the existence of problems that can only be solved by cooperation in the interdependent world (Moravcsik, 1997: 515). International regimes not only set norms and rules but also enforce them by imposing sanctions on states found in violation of those norms and rules and by incentivizing those who operate in accordance with them. Its understanding of the power of international regimes is similar to that of neo-functionalists except that it tends to differ in its viewpoint of the focus states make to maximise their autonomy as it recognizes them as increasingly focusing to conform to the international norms and rules.

Consociationalism is similar to liberal institutionalism in all aspects except that this approach assumes members of an international regime to be part and parcel of a single ‘sovereign’ entity that co-exists on the basis of consociations made between the conflicting interests of its members. It regards states as members of an entity in which they are destined to co-exist despite their differences in interests and priorities. There is an assumption that they will be willing to compromise in relation to their second and third priorities so that they can achieve their main priority, as much as the situation of the whole entity allows for this. The focus of this approach is on the bottom-up process where lessons from domestic state
actions are transferred to a multilateral setting, which makes it different from liberal institutionalism.

Multilateralism considers the emergence of sub-national and regional units as an essential part of the wider policy network, including state and multilateral policy networks. This approach places more emphasis on more active local and regional action and increased local-regional cooperation in cross-border relationships. This reality forces the supranational, national and regional-local levels to interact in order to produce increased cross-border cooperation on certain issues where common interests are perceived to exist.

In summary one can see that none of the approaches discussed so far is invalid as they all contribute to regional integration when used in a particular context. On the other hand, cross-border cooperation that leads to regional integration is a complex matter and no single approach is sufficient to achieve it as when a particular context that called for a particular approach changes the choice of strategy requires adapting to the new situation and change. One can, therefore, regard the use of hybrid of approaches as an effective way of dealing with regional integration. The following section covers the practical experience of the European Union and connects it to the practicalities of the Horn of Africa and tests the varying approaches.

**Comparative Experience: The Case of European Union**

The European experience of integration is a typical one that could inform the Horn of Africa’s challenges for integration. The region comprises several sovereign countries and conducting a review of the EU experience makes sense as it has brought together several sovereign states. The history of European inter-state wars is also similar to the existing turbulent relationships of the countries of the Horn making it proper for a comparative study.

**The European Union as a Peace Project: Literature Review**

Present day Europe is an outcome of the partitioning and repartitioning that took place over a long period of time covering the years between the two world wars (MacMillan, Holbrook and Hampton, 2003: 22). Historically, Europe was the world’s bloodiest continent; it is a continent where the long Napoleonic-wars and most of the two world wars took place. It is also a continent that lived in
the tension and conflict during the cold war period. Today, however, Europe has been transformed into a peaceful region within which war has almost become inconceivable, despite the ethnic tensions that led to the further repartitioning of the Eastern European countries and ended with the creation of new states. This review focuses on how Europe managed this transformation and attempts to identify the key enabling factors that contributed to this change.

The First World War left Europe with huge human and economic losses and people from all parts of the continent were weary. This resulted in the quest for peace in Europe which continued for many years and involved numerous negotiations between states. The most prominent one was the Paris conference which began in April 1919 and attempted to bring together the four big powers of the time at a roundtable conference for peace. The conference ended in 1920 with the creation of new boundaries to the European nations and to the rest of the world. People hoped that whatever happened next would not be as bad as what they had just experienced. Nevertheless, sustainable peace was not achieved and two decades later, Europe again found itself in conflict with the outbreak of the Second World War (MacMillan, Holbrook and Hampton, 2003: 23).

It was only after the creation of the EU that sustainable peace reigned at the heart of Europe and continued to expand into the troubled parts of Eastern Europe. The development of the EU has been a long process, involving several developments and negotiations between the member states. Comprehensive Peace Agreement (CPA This review focuses on the key milestones in the development of the EU including the European Coal and Steel Community (ECSC), the treaty establishing the European Economic Commission (EEC), and the Single European Act (SEC) and the treaty of the EU.

The ECSC was the first supranational institution and the motivation behind its formation was the desire for peace, as was made clear by the French Foreign Minister, Robert Schuman, in his famous declaration of 9 May 1950. The treaty was signed in 1951 and brought France, Germany, Italy, the Netherlands, Belgium and Luxemburg together as a single Community. The ECSC was organized with the aim of facilitating the free movement of coal and steel and free access to sources of production. A joint High Authority composed of independent persons

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appointed by the governments was created to supervise the market so that respect for competition rules and price transparency were addressed in the community.\textsuperscript{20} The treaty further illustrated that the decision to establish the ECSC was not only economic but also political, as these two raw materials were the basis for industrial growth and military power. The anticipation was that the collaboration could open the avenue for the elimination of war by paving the way towards European integration.

The implementation of the ECSC laid the ground for the EEC by opening up the markets for these products in the countries of the community. The EEC treaty was signed in Rome in 1958 and aimed to create further co-operation on a range of economic and trade issues, from agriculture to overseas aid, from commerce to taxation. It also included the signing of a treaty to encourage cooperation in the use of Atomic energy. The EEC laid the foundation for an ‘ever closer union’ by establishing European government bodies, enabling free movement of goods, capital and people, and promoting the concept of cohesion by encouraging countries to support each other and grow at a similar rate.\textsuperscript{21}

The EEC encouraged its members to further develop their level of integration, as witnessed in the signing of the Single European Act (SEA) in 1987. The new act declared the creation of a single European internal market, which comprised an area without internal frontiers and in which free movement of goods, persons, services and capital were guaranteed. The act also included a move away from consensual modes of decision making to a qualified majority approach, as indicated in Article 16 of the act (SEA, 1986).\textsuperscript{22} The SEA became the last stepping-stone in the move towards the integration of Europe and was followed by the Maastricht treaty, which gave birth to the new European Union in 1992.

The EU was established as a result of various internal and external developments. The internal development was instigated by member states, which were encouraged by the success and wanted to build on the achievements of the SEA and take it to a higher level. The external development was the collapse of communism in Eastern Europe and the prospect of German reunification, an event that led to a commitment to reinforce the Community’s international position in response to

\textsuperscript{20} Summary of EU legislation, 2010
\textsuperscript{22} The Single European Act (SEA), 1986
the new political and economic environment.\textsuperscript{23} This treaty introduced the concept of European citizenship, reinforced the powers of the European parliament and launched an economic and monetary union.

Institutionally, it created a union consisting of three pillars: the European Communities, the Common Foreign and Security Policy (CFSP), and mechanisms for police and judicial cooperation in criminal matters. This treaty replaced the EEC with the EC and paved the way for political integration. The new treaty clearly surpassed the original economic cooperation objectives and brought forth a raft of political goals, including: strengthening the democratic legitimacy of EC institutions and improving their effectiveness; establishing economic and monetary union; developing the community in relation to its social dimension; and developing a common foreign and security policy.\textsuperscript{24}

The level of integration of the founding members not only deepened the union but also attracted new members, and the community gradually expanded from six founding members to 28 countries. The development gap among the members was narrowed by the EU and through it European integration was accelerated. New members below the European average were supported by the union. The policy framework provided a space for the creation of the association of communities and on either side of the borders, the local regional authorities which were established to promote or facilitate cooperation in areas of common interest, and also contributed greatly to the process of giving voice to the border communities in relation to European policy making.

The success of the EU resulted from the development and implementation of a multi-faceted approach. The dynamism of the economy required functional integration, and this was addressed through the creation of the ECSC. The need for inter-governmental negotiations linked to the development of high level policies was addressed by the development of the All European Conference on Security and Cooperation in Europe (CSCE), which later became the Organisation for Security and Cooperation in Europe (OSCE). It involved multi-level governance through the recognition of the regions. In short, the process involved the development of hybrid approaches and it was the complementarity of those approaches that brought about sustainable peace in Europe.

\textsuperscript{23} Summary of EU legislation, 2010
\textsuperscript{24} Summary of EU legislation, 2010
There were four enabling factors that characterized this development. The first was the presence of shared values and norms among the founding states. In the absence of a sufficient degree of congruence in relation to values and norms, states find it difficult or impossible to resolve or transcend their major disputes, achieve cohesion and act with a common purpose in crisis situations (Nathan, 2003: 3). The second enabling factor was the existence of dynamic economies which demanded functional integration. The fragmentation of their coal and steel production and markets exposed them to exploitation on the part of the international cartel, which aimed to achieve high profits by dividing national markets through the entrenchment of restrictive practices, an economic dynamics that called for an integration of the production and marketing of coal and steel and resulted in accelerated growth in the national economies. This achievement provided the motivation which enabled the states to agree to the partial ceding of autonomy to the ECSC.

The third important factor was the presence of a stable balance of power and the military presence of the US, which provided security guarantees and nuclear deterrence (Moller, 2008: 1).25 This situation improved the trust among member states and motivated them to partly relinquish their autonomy in return for cooperation. The fourth enabling factor was the role of France and Germany, the two strongest European states at the time, which was crucial in ensuring the success of the EU. They underwrote the costs of maintaining the regime (e.g. by providing access to their own markets) rather than by resorting to coercion (Draper, 2010: 11).

In conclusion, the current state of peace within the EU has been achieved as a result of the long process that started with the establishment of the ECSC. The European experience has been successful because the good will of the initiators was supported by a number of other enabling factors. The key enabling factors for the success of the project were: the presence of shared values and norms among the founding states; the existence of dynamic economies which demanded functional integration; a stable balance of power and the military presence of the US, which provided security guarantees and nuclear deterrence; and the existence of strong states capable of underwriting the costs of maintaining the regional institution.

Ethiopia’s Cross-border Relations with Its Neighbours

The ancient civilisation of Ethiopia was centred mainly in the northern Abyssinian territory, with its boundaries expanding or shrinking, depending on the balance of power that existed between the ruling elites. Though there had been earlier attempts to create a unified and centralized empire, this enterprise only became successful at the end of the nineteenth and the beginning of the twentieth centuries. During the reign of Emperor Minilik II, most of the treaties that define current boundaries were signed. The then African boundaries were established by handing out territory in order to suit the imperialist powers (MacMillan, Holbrook and Hampton, 2003:372). Neither the former traditional administrative boundaries nor the interests of the populations of the frontier areas were considered during the process of boundary making, Anthony addresses this reality in the following way:

The only logic of African boundary making, which can be discerned in the record, is that untidy form of historical rationality which derives from the interests and objectives, primarily of course, the interests of certain European nation states which had temporality become dedicated to territorial empire in Africa; where sometimes African rulers were able to play minor roles in settling actual boundaries. The populations of the frontier areas were envisaged, if at all, only as dim and inarticulate presence in the background—which did not mean that they were unable to influence the manner in which the imposed boundaries subsequently operated… (Asiwaju, 1985:25).

The establishment of Ethiopian boundaries was rather different than the process that was followed in other parts of Africa. Unlike most of Africa, Ethiopian boundaries were drawn through negotiation of the big powers with the rulers of Ethiopia.26 Nevertheless, the power and controlling capacity of the negotiating parties remained the key factor in boundary decision making and never considered the settlement patterns of communities and their traditional administration.27 Furthermore, the continued focus of development around the capital left the

26 A study of IGAD boundaries by the International Boundaries Research Unit (IBRU) of Durham University (2008) elaborates that the Ethio-Djibouti boundary was confirmed by a treaty signed between the Ethiopian and French governments in 1953; the Ethio-Eritrea was confirmed by the treaties signed with Italy in 1900,1902, 1908 and later by the delimitation decision of the Ethio-Eritrean Boundary Commission in 2002; the Ethio-Kenya boundary was confirmed by the treaties signed with the British empire in 1907, notes exchanged in 1947 and the Ethio-Kenyan treaty of 1970; the Ethio-Somalia boundary was confirmed by the treaties signed with Italy in 1907, 1908 and the tri point with Kenya in 1970; the Ethio-Sudan boundary was confirmed by the treaty signed with the British empire in 1902 and the exchange of notes with the government of Sudan in 1972.

27 The Afar Sultanate, for example, included Djibouti and the Eritrean Afars
divided border communities as peripheries excluded from the benefits of state services, the exception being in relation to taxation and some border control arrangements. Ethiopian cross-border cooperation with its neighbours should, therefore, be seen in the context of the poorly defined and problematic boundary making process.

Along the poorly defined borders of Ethiopia, there is a proliferation of human traffickers and illegal movement of migrants. In addition, these areas are centres of illicit trade and organized crime such as drug trafficking. Ethiopia’s trade with its neighbours is small, almost non-existent, and its defining feature is a competition for international markets, rather than cooperation. There is little or no infrastructural connectivity, thus discouraging inter-state trade and cross-border economic collaboration. The following part of this section covers cross-boundary relationships between Ethiopia and its neighbours and also summarizes the key challenges.

The Borders of Ethiopia bring it into Contact with Diverse Conflict ‘Systems’

Violent conflict is one of the defining characteristics of the Horn of Africa. And yet, none of the conflicts is isolated from one another. The major conflict systems that connect Ethiopia to its neighbours are as follows:

A. The Somali conflict system: After securing independence in 1960, Somalia had an elected government which served for nine years before Mohammed Said Barre seized power in 1969. Barre ruled a united country up until its break-up in the early 1990s. His dictatorship not only failed to provide economic and political benefits for Somalis, but also embroiled it in conflicts with its neighbouring states. Under Barre, the country fought two wars with Ethiopia and continued an uneasy relationship with the rest of its neighbours up until the collapse of its central government in 1991. In addition to fighting an all-out war with Ethiopia, the Somali government also supported groups fighting the central government in Ethiopia, the Western Somali Liberation Front (WSLF) being one of them.

Since the early 1990s, Somalia has been divided into different ‘lands’ under the governorship of warlords. This statelessness has made Somalia a safe haven for violent extremist groups such as Al Itihad Al Islamiya (AIAI) and later the Al Qaeda-associated group, al-Shabaab. Attempts to assist the Somalis to form a
government by the frontline states have not been coordinated in one direction; they can rather be characterised as ‘contending’ approaches where different countries supported different solutions.

Ethiopia, as the first victim of AIAI operations, engaged in what it called ‘fighting terrorism’ activities, sending its defence forces into Somalia from time to time in order to fight terrorism. With the creation of the different ‘lands’, and in line with its preferred governance structure, Ethiopia pushed for the formation of ‘a federated Somalia’. Kenya and Djibouti feared a ‘federated Somalia’ as it might be seen as setting a bad example with a negative impact in relation to the ethnic tensions in their respective countries; they argued in favour of a ‘unitary government’, while Eritrea used the situation as a catalyst for waging a proxy war against Ethiopia. To say the least, the support has been uncoordinated and sometimes conflicting.

B. The Sudan conflict system: The Sudanese civil war, which some label as the longest running civil war in the world, formally ended in July 2011 with the creation of the world’s newest nation—the Republic of South Sudan—facilitated through a UN monitored referendum. Regrettably, the Sudan conflict system continues to bother the region. Khartoum and Juba still need to complete negotiations on demarcating their border, including an agreement regarding the fate of the oil rich Abyei region. Furthermore, a newly organized SPLA North launched an insurgency war in the Nuba Mountains right after the referendum and has since created a coalition with the Darfur rebels under a new name, the Alliance of Sudan Revolutionary Forces. The internal stability of the newest country, South Sudan, is also fragile and is on the verge of being a failed state following the recent division of SPLM leadership and related civil war.

Although in the pre-1991 period (when Ethiopia was under a military junta) Ethiopia and Sudan provided support to each other’s enemies, Ethiopia is currently the only neighbouring country that is seen as being neutral, and is even regarded by both Sudan and South Sudan as a mediator. Ethiopia is seeking some sort of stability in (and between) the two Sudan’s, since it shares a border of over 1,000 km with the two, and is inhabited by divided and mostly traditional communities. The interests and interventionist approaches of the neighbouring countries and the international actors appear at its best as uncoordinated and at its worst diverse and divided.
C. The pastoralist regions conflict systems: The Horn of Africa region houses over 40 per cent of the world’s pastoralist population. Arbitrarily drawn boundaries divide each pastoral community into two or three states, hindering the effective and full utilisation of available resources through the limits placed on migration/movement, a defining trait of pastoralism that has resulted in heightened competition over natural resources. This problem, coupled with differing and sometimes contradictory policies on either side of several borders, causes continuous low-intensity conflicts that claim thousands of lives each year.28

These clusters include: 1) The Karamoja cluster which connects South Ethiopia, North West Kenya, North East Uganda and Eastern South Sudan; 2) The Somali cluster, a cluster that connects North Eastern Kenya, South Eastern Ethiopia, Western Somalia and Western Djibouti; 3) The Afar cluster, a cluster that connects Ethiopia with Northern Djibouti and Eritrea; and 4) The Nuer-Gambella cluster, a cluster that connects Western Ethiopia with Southern Sudan and the North Eastern part of the Republic of South Sudan.

D. The Eritrea conflict system that affects the whole region: Eritrea is an extremely militarized state in the region. It is a state that has engaged in violent conflict of various forms/levels with most of its neighbours in the Horn and beyond. For example, Eritrea has fought with Yemen and Djibouti over the Hanish islands and the Doumeira Mountains respectively, in addition to the all-out war with Ethiopia over border claims. Eritrea has also engaged in an open policy of regime change in Khartoum. In addition, it has been in conflict with Saudi Arabia over maritime boundaries.

The state does not have a constitution, has never had elections and has never issued a budget decree, thus allowing the president to run the country’s finances as his personal estate. The state seems to have designed its survival strategy by nurturing a ‘siege’ mentality in its citizens and by providing support to any element that creates instability in the region. Its war mongering has detracted it far from its liberation war promises of providing good governance and development, forcing the population into exile. In fact, more than a quarter of Eritrea’s population (28 per cent) has left the country. This figure continues to rise at an alarming rate.29

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is a state under a UN sanction for its destructive role in Somalia and destabilizing character in the region.

In conclusion, the boundaries of the states of the HoA divide communities forcing them to live in an environment of interrelated conflict system. Each of the conflicts is related to the other making it difficult to understand one conflict without reference to others. Understanding this regional dimension is important in order to contextualize the common regional themes and challenges discussed in the following sections of this paper.

1. Massive and Continued Migration

The 2011 World Bank publication, Migration and Remittances Fact-book, states that Eritrea produced a total of 941,200 emigrants, a figure which constitutes 28 per cent of its population, and receiving only 16,500 immigrants. Somalia produced 812,700 emigrants, 8.7 per cent of its population, with only 22,800 immigrants from neighbouring countries. Sudan, Djibouti, Kenya, Uganda, and Ethiopia follow in the order of ratio of migrants to their population.\(^{30}\)

A total of 3,812,100 citizens in the Horn of Africa have left their countries, according to the report. A substantial number of the migrants are educated with leading examples of Kenya, Eritrea and Somalia, losing 38.7 per cent, 34 per cent and 32 per cent of their tertiary-level educated citizens, respectively. Migrants are similar to ‘nomads travelling without any rights on their backs’ (Mostov, 2008:111). Once they have left their countries, migrants are not only denied their basic rights but also become vulnerable to all types of abuse.

2. Organized Crime

There is a massive proliferation of organized crime in the form of human trafficking, piracy and urban violence in Ethiopia and its neighbouring countries.

A. Human trafficking: As indicated in the US State Department report on Human Trafficking,\(^{31}\) countries of the Horn do not fully comply with the minimum standards of the Trafficking Victims Protection Act (TVPA) in terms of prevention,

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protecting victims and prosecuting traffickers. It is estimated that migrants in East Africa pay an average of 1,500-2,000 USD to traffickers and bribes to police officers and other government officials from transit countries. Estimates show that trafficking generates as much as 40 million USD per year in the region. The impact of human trafficking affects not only the victims and their families but also undermines the states and their institutions through their involvement in corruption and illicit actions.

B. Piracy in the Gulf of Aden: Decades of statelessness, combined with toxic waste dumping and illegal fishing, have made the life of the Somali residents in coastal areas unsustainable, thus creating a favourable breeding ground for pirates. The increasing number of pirate attacks in this area has led to the establishment of a military presence in an internationally recommended transit corridor in the Gulf of Aden. However, pirates have adopted tactics that now allow them to attack targets up to more than 1,000 nautical miles off the Somali coast. In the first three months of 2011, International Maritime Board reports (Plotch et al, 2011) indicated that almost one hundred vessels in the region had been attacked, with 15 successful hijackings, involving approximately 300 hostages.

As a result of these crimes, insurance premiums on merchant vessels calling at ports in the Horn are increasing, a phenomena that seriously impairs the already weak economies of the Horn. It has also had an impact on the governance and regulatory environments of the surrounding countries as ransom money to pirates is somehow transiting through the structures of the frontline states. According to the aforementioned report of the IMB, the amount of ransom money, which currently stands at an average of 5 Million USD per ship, is increasing and hostages are being detained for longer periods as pirates hold out for ransom payments.

C. Drug abuse, trafficking and urban crime: There are no statistics on the extent of drug abuse and trade in Ethiopia. Nevertheless, it is clear that the country’s strategic geographic location in the Horn of Africa, good quality road and rail transport connections with neighbouring Djibouti, air links to West Africa, Asia and Europe and long unpatrolled borders with all five of its neighbouring countries, make it a prime target for drug trafficking.

According to the 2013 report of the UN Office on Drug (UNDOC), cannabis is the most common drug used in Ethiopia, Sudan, and Uganda, although the abuse of
heroin is also increasing. Heroin and Mandrax are smuggled into Uganda mainly from the Indian sub-continent. Cocaine and Cannabis resin are brought in from South American countries and Sudan. The same report also indicated that heroin (originating from Pakistan) was the most abused drug in Kenya.

Urban crime is at a low rate in Ethiopia but visibly significant in Kenya. A 2006 World Bank Study indicated the pervasive insecurity felt by Nairobi residents. More than sixty per cent of households feel unsafe, with no gender differences.

More than a quarter (27 per cent) of households was involved in a criminal incident in the year before the study. This study also indicated that Kenyan businesses spend seven per cent of their sales revenue on security, including infrastructure and personnel; another four per cent on insuring property; and two per cent on neighbourhood security.

D. The growing threat of religious extremism: The 1990s saw a new wave by Salafi Jihadi militants, mainly AIAI, especially in Kenya. They established links with al-Qaeda to produce “a distinct puritanical theology and a potent political narrative” The impacts of this expansion are now being felt, as demonstrated in the fight to control the hierarchies of the Mejlis in countries such as Ethiopia. The 6.2 per cent Muslim population of Kenya has been exposed to various forms and strains of radical Islam in the past few decades. The most recent wave is supported, financially and also intellectually, by al-Shabaab. The same ICG report indicates that the help Kenya provided to the TFG of Somalia in attacking al-Shabaab’s strongholds seems to have further complicated the situation.

3. Cross-Border Economic Cooperation in the Region

Our discussion on the conflict environment of the Horn clarifies the regional dimension of the problem. There is a clear need to bring regional efforts together to address the dire need for security and stability in the region. Despite divergences in

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35 The supreme national religious authority for Islam religious affairs.
the perceived and actual interests, most states in the Horn attempt to establish some sort of cross-border framework. However, the cross-border economic cooperation is limited to minor trade between cross-border communities and mostly driven by the shared interest of managing local conflicts and the security of the border areas.

Inter-state trade is insignificant despite the agreements to increase it. For example, Ethiopia buys only 1.8 per cent of its total import from Sudan and only 0.4 per cent from Kenya and none from the other Horn of Africa countries. Its exports to Sudan, Djibouti and Kenya are 4.8 per cent, 3 per cent and 0.2 per cent respectively. Sudan buys only 3.1 per cent, 0.9 per cent and 0.8 per cent of its total imports from Uganda, Ethiopia and Kenya respectively. Only 1.6 per cent of Sudan’s exports are directed to Ethiopia and none to the rest of the Horn of Africa countries. Kenya only has significant trading partnerships with Uganda and Tanzania, accounting for 47.5 per cent of its exports; Uganda only has significant trade with South Sudan (14.3 per cent) and Kenya (9.5 per cent), a total of 23.8 per cent of its exports reaching these two countries, and has none with the other Horn of Africa countries. There is no available data on Eritrea’s imports and exports. But, it is expected to be insignificant since Eritrea is far away from reaching any level of cooperation with its neighbours.

The key reason for low regional trade is directly related to the internal economies of the states: most of the export commodities are primary products, for example, coffee is the major export for Ethiopia, Kenya and Uganda. In a similar vein, horticultural products are major export commodities from the Horn, with Kenya and Ethiopia competing in the flower market and Uganda and Kenya competing in the tea market. The competition is not limited to the export market but also to imports of consumer items, capital goods, technology, and knowledge intensive products from the international market. The minimal internal value creation capacity is very much influenced by the low level of infrastructure and infrastructure connectivity, low technological development, little or no access to capital and weak governance, including a weak regulatory environment.

The lack of interdependency could be viewed as a cause, and also a consequence of the grave problems in the Horn of Africa. The weak interdependency could be discussed in terms of trade, infrastructure connectivity and weaknesses in the delivery of state services at their connecting points. Currently, there are a number of on-going energy grid system connectivity and marketing projects but their impact has yet to be seen.

In summary, although the region has a great potential for growth and development, it is currently defined by conflict systems that have contributed to the proliferation of human trafficking and all sorts of organized crime. Existing cross-border cooperation agreements are only limited to immediate borderland trade and security issues. There is very little infrastructure connectivity and the interdependency of the economies is weak as observed in the data provided on inter-state trade. Thus, managing cross-border cooperation leading to economic integration remains to be a key challenge to the peace and stability of the region.

**Moving Forward: Discussion and Conclusion**

Most states in the Horn of Africa claim to be in democratic transition, with the exception of Eritrea and Stateless Somalia. They also declare that the market economy is a guiding philosophy in relation to their economies. Despite these declarations, however, there are significant differences in norms and values. Sudan, for example, is not secular; Islam is the state religion. The countries are also at different levels of democratisation. The region also has a recent history of inter-state wars through direct and proxy wars. Therefore, it is clear that the norms and values of the states are divergent and represent an impediment to meaningful cooperation.

There is no balance of power between the member states. None of the states is strong enough to be a regional hegemon. Ethiopia, Sudan and Kenya are each prominent in different dimensions of power but none of them is strong enough to achieve regional domination. As a result, states tend to maintain a high level of autonomy and remain slow in vigorously working for a viable degree of regional cooperation.

However, recently, there is a growing opportunity for limited regional economic integration in relation to the energy sector and there is also a growing political
pressure for the establishment of a regional body to manage the shared use of water resources in the region. Such collaboration could help to improve the mutual trust and confidence of the states and motivate them to seek peaceful coexistence and develop a peaceful neighbourhood through an expansion of interdependence.

Inconsistent supplies of energy as well as its high cost are major impediments to the industrialisation of the states in the Horn. There is a considerable disparity in their respective capacities and potential to provide cheap and sustainable energy. In 2009, the Union of African Electricity Producers, Distributors and Conveyors (UFDEA) reported that the average tariff of electricity in Ethiopia was $0.053/Kwh, making it the cheapest in the region when compared to $0.097/Kwh in Sudan, $0.12/Kwh in Kenya and $0.22/Kwh in Uganda. The electricity tariff in Djibouti is the highest in the world, along with that of Gabon.

Unlike other countries in the region, Ethiopia’s main potential source of energy is hydro-electric power, which makes costs cheaper than elsewhere. On the completion of the four major dams in three years’ time, Ethiopia is expected to have the capacity to produce over 10,000 MW. Most of the international rivers in the region begin their life in Ethiopia and the country has the potential to produce over 45,000 MW of hydroelectric power, making it the major potential in the hydropower industry in Africa.

Motivated by this potential, Ethiopia is seeking to develop a market for its energy exports and the neighbouring countries are, in turn, looking for cheaper energy sources. This convergence of interests has led Djibouti, Kenya and Sudan to enter into power purchase agreements with Ethiopia. As part of these agreements, power-grid connectivity projects have been launched and the Ethiopian grid system is now connected with Djibouti and Sudan, the one with Kenya being under construction. The bilateral nature of this type of cooperation will hopefully develop into some sort of supranational and regional mechanism, with the objective of regulating power generation and marketing in the region. Such a regime will not only provide reliable and cost effective energy, but will also promote peace by enhancing the interdependence of the states.

The management and sharing of the international water course, the Nile, is another

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39 UFDEA: Comparative Study of Electricity tariffs in Africa. (UFDEA commissioned study, 2009):7-8
crucial issue where regional cooperation is required. The waters of the Nile have an impact on ten countries of Eastern Africa. The sharing of the Nile water was traditionally governed by the agreement (signed in 1929) between Egypt and Britain, which represented Uganda, Kenya, Tanganyika [now Tanzania] and Sudan (Tesfay, 2012:276). The treaty allocated all the water to Egypt and Sudan, leaving no share to any other riparian states. Egypt and an independent Sudan renewed this agreement in 1959.

Despite demands for an equitable use by upper riparian states, political tension around the issue was muted. Egypt’s military dominance, along with the civil wars in Sudan and Ethiopia, meant that the use of the water by the upper riparian states was negligible. But demands for a fairer share have resurfaced as population growth, frequent droughts and increased scarcity of resources have impacted on the economy (Tesfay, 2012:272). Negotiations over the previous ten years led to the Nile Cooperative Framework Agreement (NCFA), signed in May 2009 by most of the riparian states with Egypt and Sudan rejecting it. Furthermore, the Eastern Nile states of Ethiopia, Sudan and Egypt have engaged in negotiations on the Grand Renaissance Dam over the Blue Nile River. The overall situation indicates that a time for a new regional regime on the use and management of the Nile water seems to have arrived.

The advent of such a cooperative regime would mean that the zero-sum game of lower riparian states engaging through proxies will get a win-win alternative. Once they secured a guarantee for their equitable share of the waters, the interest will be on how to increase the water volume through environmental rehabilitation and the reduction of waste through evaporation and other harmful practices. This will, therefore, be a motivation for the lower riparian states for a collaborative framework to jointly manage and resolve conflicts in the region.

The advent of a power production and marketing regime in the region will force the states to centre the peripheries as the grid systems will pass through and motivate them to address the human security needs of those communities. The upcoming of a regional regime to manage shared water resources will also bring the peripheries of the states into attention as many of them are settled around the river bank of the major basins and developing the water basins cannot be done without including the development of those communities.
Mechanisms to encourage regional cooperation, created as part of the IGAD, have the potential to serve as a platform for policy harmonisation and this is likely to impact on the synchronisation of values and norms. Technical and financial support from international organisations and development assistance partners can also play an important role in this regard. Such policy harmonisation is vital in managing the complex conflict systems of the region. For example, coordinating the policies on the control and management of small arms can mitigate vulnerability that may come as a result of a one-sided disarmament. Cattle rustling and subsequent conflict that may come out of destocking can also be mitigated through the harmonisation of programmes on animal health protection and drought mitigation.

African solutions for African problems means African-led initiatives owned and implemented by Africans. Africa, while designing its own approaches to address its problems, should learn not only from its own experience but also from that of others. The European long and incremental integration process is a useful model that provides important lessons for peacebuilding in the Horn of Africa. However, calling Africa to begin from where Europe is standing and advocating for zero tariff and free trade area in the absence of any shared and similar economic policies are impractical. The most practical way of promoting integration is to work on functional sectorial integration while working on policy harmonisation side by side.

Cooperation in the production and marketing of energy can serve the cause of peace without the need to directly engage in political negotiations. A regional agreement on the management and use of the Nile waters might also ease tensions among member states. These two developments could well contribute to building trust and confidence between the states. The IGAD platform could serve as a basis for policy dialogue eventually leading to a congruence of norms and values. The three parallel developments could provide a viable way of securing sustainable peace in the region.

Conclusion

The purpose of this paper has been to examine whether or not cross-border cooperation could represent a helpful approach in promoting the long-term peacebuilding process in the Horn of Africa. The paper has reviewed literature on the different approaches to peacebuilding between states. The defining feature
of the Horn of Africa in terms of cross-border peace has also been covered as part of the discussion. The paper has also covered the EU’s integration process and reviewed the genesis of the current level of European integration and the key enabling factors that have impacted the process. Further, it has investigated the Horn of Africa environment in terms of successful regional integration and suggested that the ongoing electric power generation and integration projects might represent a way forward in terms of long-term peacebuilding.

From the foregoing discussion, it can be concluded that the selective single use of any of the different approaches in the peacebuilding process is unlikely to produce effective peace. It is only if the approaches are used in a complementary fashion that they have the potential to produce the desired results. One can see that the best approach to regional integration in the circumstances of the Horn of Africa is the hybrid approach to integration. Indeed, Europe’s success was partly due to the use of the different approaches in a complementary way. The Horn of Africa might well learn from this experience and adopt something similar. It would do well to make use of IGAD as a platform for multilateral state level political negotiations while encouraging local-level initiatives in the border regions. Current energy integration projects should be encouraged and managed through a regional supranational mechanism that accommodates the interests of all the players while curbing the danger of states competing for domination.

This paper has focused on economic integration as a peace project and has not dwelt in any detail on the options for promoting state-to-state political negotiations through a regional platform. The following questions could possibly be addressed by future research initiatives: What are the driving forces that encourage states to be members of these regional organisations? Is the proliferation of regional organisations an asset or an obstacle to regional integration? What are the driving factors for states to become members of multiple regional communities?
References


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The Single European Act (SEA), 17 Feb, 1986.
