



# Development prospects for the Horn of Africa countries to 2040

## Background

Kouassi Yeboua and Jakkie Cilliers

Last updated 27 June 2022 using IFs v7.63

## Background

The Horn of Africa has experienced many social, political and economic transformations since independence, resulting in military coups, inter-state and civil wars, revolutions, ethnic and religious disputes, and complex humanitarian crises, among others. Every country in the region has faced at least one civil war during the postcolonial era.

The Horn of Africa has also experienced more inter-state wars than any other region in Africa, most significantly Ethiopia-Somalia, 1977–78 and 2006–2009; Ethiopia-Eritrea, 1998–2000; and Eritrea-Djibouti, 2008.[1]

These inter-state wars were fought mostly over territorial and border disputes. The poorly demarcated borders between competing pre-colonial empires, and subsequently defined by colonialists, have played a major role in these conflicts. And they continue to resonate—e.g. the Kenya-Somalia dispute on their maritime border in the Indian Ocean, thought to be rich in oil and gas reserves,[2] and the Sudan-Ethiopia al-Fashaga triangle farming dispute.

The region is not only plagued by inter-state tensions but also intra-state conflicts and other local and national grievances. There is also a host of identity politics such as the crisis in Darfur, between clans in Somalia, within South Sudan, and among various ethnic groups in Ethiopia.

Violent conflicts and military coups are political tactics that many leaders in the region have used to come to power and weaken their opponents. Countries in the Horn of Africa frequently interfere in their neighbours' disputes either by sending troops directly or by supporting rebel groups. Some of these disputes have resulted in national borders being redrawn in the region,[3] such as Eritrea in 1993, South Sudan in 2011, and Somaliland's ongoing attempts to separate from Somalia.[4]

There are also ethnic overlaps and affinities that transcend national borders (e.g. the Afars in Djibouti-Eritrea-Ethiopia, Somalis in Somalia and Ethiopia and other transnational ethnicities in the region). Such overlaps serve as a conduit for a significant amount of informal trade and are often seen as a potential source of insecurity by state authorities.

The borderland populations in each of these nations are also generally economically and politically marginalised. Consequently, this ethnic overlap in poorly governed spaces is often used by neighbouring countries as an entry point for cross-border destabilisation.[5]

War, conflict and insecurity, famine, environmental factors such as droughts, governance failures, and lack of economic conditions cause substantial displacement within countries and across borders. This makes the Horn one of the main regions producing refugees and internally displaced people globally.

Specific border areas such as the Sudan-Ethiopia, South Sudan-Uganda and Somalia-Ethiopia borders have been in an intermittent state of crisis with the back-and-forth movements of refugees for the past 40 years.[6] About 8.5 million forcibly displaced people, including over six million internally displaced people and around 2.5 million refugees and asylum seekers, are currently hosted within the Horn of Africa.[7] Ethiopia, for example, is the second largest refugee-hosting country in Africa, after Uganda, while Sudan is the third largest country of asylum in Africa.[8]

The current unrest in Ethiopia's Tigray region is, for example, causing substantial numbers of refugees to cross into Sudan, further increasing the economic and demographic pressure on the host communities. The COVID-19 pandemic has further compounded the pre-existing difficulties in the region, including food insecurity, extreme poverty, social unrest, security concerns and political instability.[8]



Despite its manifold challenges, the Horn of Africa is one of the most important geostrategic sites in the world given its proximity to the trade artery that runs from the Indian Ocean to Europe via the Red Sea and the Suez Canal, passing through the Strait of Bab el-Mandeb between Djibouti and Yemen.[9]

The combination of economic, political and security interests of foreign powers in the region has led to a proliferation of foreign military bases, often accompanied by the provision of military and development assistance.[10] Thus the United States (US) installed a military base in Djibouti after the 9/11 attacks to prosecute its war against terrorism (al-Qaeda and al-Shabaab). The first overseas military base of China since the Second World War is also in Djibouti as the country has moved to protect its growing investments in Africa.

Together with a French military base (that includes troops from Germany), tiny Djibouti with a population of less than a million people is also home to military bases from Italy, Japan and Spain. The country relies heavily on the associated rents. And in December 2020, Russia signed a deal with Sudan to establish a military base in Port Sudan on the Red Sea coast.

The Horn of Africa seems to have ‘become a laboratory where different foreign policy approaches and aid modalities meet.[11]’ Middle East countries, particularly the Gulf countries (Saudi Arabia, United Arab Emirates (UAE), Kuwait and Qatar), and Turkey have a long history in the Horn of Africa. Turkey’s presence in the region dates back to the Ottoman Empire. But in the modern era its engagement in the region dates to 2011, with Somalia as the entry point.

Gulf and Turkish assistance, including direct budgetary support, humanitarian aid, infrastructure development, and funding for Somali security forces, has been critical for the Somali people. Turkey has established its largest overseas military facility in Mogadishu to assist with training for the Somali National Army. The country has also significantly increased trade, investment and aid in Sudan and Ethiopia. For instance Ethiopia’s trade with Turkey increased by a hundredfold, from US\$40 million in 2003 to about US\$4 billion in 2013.[12]

The Arab Gulf states have also in recent years increased their influence in the Horn of Africa. From 2000 to 2017, they collectively made investments worth approximately US\$13 billion and provided official development assistance (ODA) amounting to US\$6.6 billion[13] (see Chart 2).

The challenge is that the Horn governments face constant pressure to pick sides in geopolitical rivalries often between the Gulf Arabs and Iran or among the Gulf states. For instance Eritrea, which used to support Qatar, has switched its orientation to the UAE, and now hosts a military base that is used to prosecute the war in Yemen. The European Union (EU) and Russia also have a critical influence on a number of Horn countries such as Ethiopia and Sudan, among others.

This external involvement in the region means that the Horn countries are often instrumentalised against each other instead of in pursuit of collective security. They politically back different Gulf states or serve foreign interests, undermining the prospects for regional economic integration and development. In the process, the rivalries among the Gulf powers—particularly between the UAE on the one hand and Qatar and, by extension, Turkey on the other—have fuelled instability in Somalia.[14]

Chart 2: Summary of Gulf interests and policy instruments in the Horn of Africa

	Saudi Arabia	United Arab Emirates	Qatar	Kuwait
Main partners in the Horn of Africa	Sudan, Ethiopia	Eritrea, Somaliland, Ethiopia	Sudan, Somalia, Ethiopia	Sudan

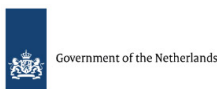
Main political interest	Isolating Iran	Isolating Iran, pushing back against political Islam	Leverage relating to Saudi Arabia	Regional stability
Main economic interest	Food production	Regional trade, port expansion	Financial diversification	Food production
Key policy instruments	Budgetary support Multilateral funds	Budgetary support	Central Bank of Qatar, Qatar Foundation	Bilateral and multilateral development funds

*Source: Adapted from J Meester et al, Riyal Politik, The political economy of Gulf investments in the Horn of Africa, CRU Report, Netherlands Institute of International Relations, Clingendael, 2018.*

## Endnotes

1. K Mengisteab, Critical Factors in the Horn of Africa's Raging Conflicts, Discussion Paper 67, 2011, Nordiska Afrikainstitutet, Uppsala.
2. K Mengisteab, Critical Factors in the Horn of Africa's Raging Conflicts, Discussion Paper 67, 2011, Nordiska Afrikainstitutet, Uppsala.
3. S Healy, Hostage to Conflict: Prospects for Building Regional Economic Cooperation in the Horn of Africa, 2011, London: Chatham House.
4. Somaliland's story is somewhat complex given the fact that the territory attained independence but rejoined Somalia a few days later. Following tensions with Mogadishu and the outbreak of conflicts, Somaliland has attempted to secede.
5. Somaliland's story is somewhat complex given the fact that the territory attained independence but rejoined Somalia a few days later. Following tensions with Mogadishu and the outbreak of conflicts, Somaliland has attempted to secede.
6. C Clapham, Boundary and territory in the Horn of Africa, in P Nugent and Al Asiwaju (eds.), African Boundaries: Barriers, Conduits and Opportunities, London: Pinter, 1996, pp. 237–50.
7. M Noack, Protracted Displacement in the Horn of Africa, internal report, February 2020, Transnational Figurations of Displacement (TRAFIG).
8. M Noack, Protracted Displacement in the Horn of Africa, internal report, February 2020, Transnational Figurations of Displacement (TRAFIG).
9. W van den Berg and J Meester, Turkey in the Horn of Africa: Between the Ankara Consensus and the Gulf Crisis, Clingendael: Netherlands Institute of International Relations, 2019.
10. W van den Berg and J Meester, Turkey in the Horn of Africa: Between the Ankara Consensus and the Gulf Crisis, Clingendael: Netherlands Institute of International Relations, 2019.
11. J Meester, W van den Berg and H Verhoeven, Riyal Politik: The Political Economy of Gulf Investments in the Horn of Africa, CRU Report, 2018, Clingendael: Netherlands Institute of International Relations.
12. F Donelli, The Ankara Consensus: The Significance of Turkey's Engagement in Sub-Saharan Africa, Global Change, Peace & Security, 30:1, 2018, 57–76.
13. J Meester, W van den Berg and H Verhoeven, Riyal Politik: The Political Economy of Gulf Investments in the Horn of Africa, CRU Report, 2018, Clingendael: Netherlands Institute of International Relations.
14. International Crisis Group, Somalia and the Gulf Crisis, Report No. 260/AFRICA, 2018.

## Donors and sponsors



### Reuse our work

- All visualizations, data, and text produced by African Futures are completely open access under the [Creative Commons BY license](#). You have the permission to use, distribute, and reproduce these in any medium, provided the source and authors are credited.
- The data produced by third parties and made available by African Futures is subject to the license terms from the original third-party authors. We will always indicate the original source of the data in our documentation, so you should always check the license of any such third-party data before use and redistribution.
- All of our charts [can be embedded](#) in any site.

### Cite this research

Kouassi Yeboua and Jakkie Cilliers (2025) Development prospects for the Horn of Africa countries to 2040. Published online at [futures.issafrica.org](https://futures.issafrica.org). Retrieved from <https://futures.issafrica.org/special-reports/region/horn-of-africa/> [Online Resource] Updated 27 June 2022.

## About the authors

**Dr Kouassi Yeboua** previously worked as a Senior Researcher at AFI, where he led significant ISS studies on the long-term development prospects of the Democratic Republic of Congo, the Horn of Africa, Nigeria, Malawi, and Mozambique. His research focuses on development economics, macroeconomics, gender, and economic modeling. He holds a PhD in Economics.

**Dr Jakkie Cilliers** is the ISS's founder and former executive director. He currently serves as chair of the ISS Board of Trustees, head of the African Futures and Innovation (AFI) programme at the Pretoria office of the Institute, and is an extraordinary professor at the University of Pretoria. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

## About African Futures & Innovation

Scenarios and forecasting can help Africa identify and respond to opportunities and threats. The work of the African Futures & Innovation (AFI) program at the Institute for Security Studies aims to understand and address a widening gap between indices of wellbeing in Africa and elsewhere in the world. The AFI helps stakeholders understand likely future developments. Research findings and their policy implications are widely disseminated, often in collaboration with in-country partners. Forecasting tools inspire debate and provide insights into possible trajectories that inform planning, prioritisation and effective resource allocation. Africa's future depends on today's choices and actions by governments and their non-governmental and international partners. The AFI provides empirical data that informs short- and medium-term decisions with long-term implications. The AFI enhances Africa's capacity to prepare for and respond to future challenges. The program is headed by Dr Jakkie Cilliers.