



Institute for Islamic Strategic Affairs



China's Djibouti Naval Base: A Litmus Test for China's Hybrid Naval Base Strategy

The recent announcement that China may build a naval base in the small African nation of Djibouti and the release of a new defence white paper which makes clear the 'active defence' doctrine has been regarded as a confirmation of a new assertive approach from China. The new naval base will give China's navy far greater regional reach, allowing it to taking a larger role in international security.

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China's international presence has been growing for many years; initially through its increasing economic importance, more recently it has focussed on building 'soft' power, and even more recently in its growing assertive presence in Southeast Asia. Its global presence seems to be taking a further significant step through the establishment of the first Chinese naval base in Africa, in the small East African country of Djibouti. The revelation came a month ago from the President of Djibouti, Ismaïl Omar Guelleh to the French news agency AFP and has thrown both Djibouti and China's growing international presence under greater scrutiny. It demonstrates a significant development for Djibouti, the changing international system, and China's growing willingness to shape it.

Although the details of the base are still unclear, Djibouti offers a good choice for China for a number of important reasons, including; a strategically important location, good economic prospects and good domestic stability in a region of severe instability. Combined with the recent release of China's defence white paper, this demonstrates that China is making concrete steps in developing its international maritime doctrine; one based upon a hybrid of economics & security, allowing it to slowly and efficiently increase its maritime presence, thus helping it to meet the inherent responsibilities and requirements which come with increased economic and security activities.

Stable Island in a sea of instability

The coastal nation of Djibouti, with a population of under one million people, including large numbers of refugees from neighbouring Somalia, is often romantically

viewed as an 'oasis' in a desert of instability. The civil war of 1991-1994, in essence a reactionary movement concerning the disenfranchisement of the Afar ethnic group, has subsequently seen two Afar in the ruling party and the incorporation of the Afar group into the political process. The stability of the post-civil war political settlement has therefore allowed the only natural resource available in Djibouti to be exploited; that of its deep and calm waters, contingent on geographical location adjacent to the Bab-el-Mandeb. It already serves as an essential refuelling and trans-shipment hub for commercial and naval vessels and is the principle maritime port for imports and exports from neighbouring Ethiopia. China seized the opportunity a few

years ago and bought a significant share of the Port of Djibouti, giving many potential economic benefits to China by boosting its international trade. The domestic stability of Djibouti makes it a good target for long term investment and also means that a naval

base would unlikely face significant domestic security threats.

Strategically important location

Djibouti's strategic location is a big draw for establishing a naval base. Djibouti is already home to several international military bases including the only American naval base within Africa, the largest French military base in Africa, and it is the forward operating base for much of AFRICOM's operations in the Horn and beyond. The French, present since the 19th century, seek to maintain the integrity of the Suez further north and all of the abundant trade that comes through the Red Sea. The Japanese and many other nations use it to assist in regional anti-piracy operations such as the NATO led Operation Ocean Shield in an area which has experienced significant piracy

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operations in recent years. Consequently, if the People's Liberation Army Navy (PLAN) wants to increase its ability to secure its economic interests the East Africa, Djibouti is a good location for a base.

It may be also indicative of China's willingness to shoulder more of the burden for ensuring regional security, including countering jihadist militants, and especially in combating regional piracy which threatens global seaborne trade of goods and oil. China is looking to develop alternative sources of oil supplies as its growing dependency on Middle Eastern oil could leave it exposed if there is a greater degradation of regional security. A regional base allows China to protect its heavy investment in the oil sector of Sudan and South Sudan and exploit the large potential oil reserves found off the Somali coast.

Local naval bases can help boost the global potential of the PLAN. The PLAN has been investing in developing a blue water navy to give it a global reach but this is likely to take decades. Having a regional naval base provides an immediate boost to their capabilities. The presence of a naval base will also allow China to respond more proactively to regional security changes in East Africa, the Middle East and Europe. The PLAN responded to Libyan instability by evacuating Chinese nationals working in Libya and a regional base would make this easier to achieve. Many analysts believe it will take several decades for China to create a true maritime power projection capability but this hybrid strategy will significantly reduce this lead time.

Djibouti's booty

Djibouti itself has benefited from the presence of these large diplomatic players, giving it political clout beyond its small size. The rents collected from these military bases are an important source of income for a country devoid of a productive agricultural sector, where forestry consists of less than 1% of

territory and desert and volcano occupy a further 90%. The French, the Japanese and the Americans each pay around \$40 million USD annually to maintain a presence within the country. Yet China's investment appears far more significant. Keenly aware of the importance of Djibouti's ports, China has recently purchased a large stake in the capital's port to the tune of \$185 million USD. In addition to this, China has offered to upgrade the port facilities through a \$420 million USD contract to the China State Construction Engineering Corporation. China continues to provide arms to the country, facilitate cultural, educational and health programme exchanges and has always made room for Djibouti at the highest tables in Beijing. It also indicates that China will invest heavily in East Africa in the future which is likely to have furthers positive benefits for Djibouti. Chinese FDI, combined with a potentially improving security situation, could prove to have a significant economic impact on East Africa. The existing Chinese investment therefore suggests that it will be mainly economic, but also provides a naval base which boosts the ability of the PLAN to project its power and can be upgraded in the future.

China's dual-use port investment strategy

The Djibouti case has already demonstrated that investment in economic activities, combined with increased naval potential are major drivers for the decision to establish a base there. However China's Djibouti naval base should be seen in the wider context of Chinese economic and military activities which appear to be dual-use in nature, serving mainly economic, but also strategic military purposes. China has spent years investing in port facilities across the world, including many across South Asia, which has been a wise move for several reasons. China is widely regarded as the modern workshop of the world and investing in port facilities which eases the transport of Chinese produced goods has

helped to boost Chinese trade. The improved infrastructure will help to boost Chinese international trade, lowering the cost per shipping container to transport, thus maintaining competitive Chinese production. Banking on the growing importance of international maritime trade is also a wise decision given its volume could treble by 2060. It will also help to maintain inward flow of capital to China, spread Chinese investment risk around the globe and potentially offsetting any local economic downturns if China needs to import more and helping to ensure positive balance of trade figures.

These investments also have dual uses and can bring major strategic advantages to China. Controlling the essential infrastructure gives China significant leverage over the host nation, especially in developing countries which are increasingly economically dependent upon China. It would also be relatively easy to modify a port infrastructure to act as fuel and weapons depots or a more established naval base. This is the main concept behind the ‘String of Pearls’ idea of secret fuel and weapons depots hidden by secret treaties which allows the PLAN to use them in times of war. This would be useful in a large scale operations but given that China is still decades away from a blue water navy, a dual use base seems more likely in Djibouti.

A combined port with an overseas naval base would provide improved logistics and supply support to out of area PLAN ships and task forces at lower cost and with greater capability than commercial facilities. It would likely be equipped with medical facilities, refrigerated storage space for fresh vegetables and fruit, rest and recreation sites, a communications station, and ship repair facilities to perform

minor to intermediate repair and maintenance. These would allow significantly boost the PLAN’s ability to operate far beyond China’s current littoral zone, allowing it to combat non-traditional threats and develop a modest power projection capability. This would enable it to respond to relatively small-scale overseas contingencies, such as evacuating Chinese expatriates from troubled regions, providing humanitarian assistance and disaster relief, low-intensity conflict and counterterrorism. Therefore although these port investments are primarily economically driven, they could be used for small scale military matters in the future.

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This dual use strategy reduces the cost of increasing the PLAN’s reach and makes it possible far sooner. Establishing a large base would be both expensive and a bold, even

threatening, statement for many nations. Focussing more on economics enables a softer image to be projected, more in line with China’s attempts to build soft power. This narrative has recently been elicited through the announcement of the ‘maritime silk road’.

New Defence White Paper

China’s new white paper also raises some interesting prospects when viewed in conjunction with the Djibouti naval base. It says that the oceans are one of the four critical security domains for China (the others being outer space, cyberspace, and nuclear forces). This has specific importance for Southeast Asia as it makes reference to China’s ‘offshore neighbours’ having taken ‘provocative actions’ in the South China and East China seas, and have established their presence on China’s islands ‘illegally.’ It also highlights how ‘some external countries are also busy meddling in South China Sea affairs; a tiny few maintain close-in air and sea surveillance and

reconnaissance against China.’ To counter these new threats, ‘the traditional mentality that land outweighs sea must be abandoned.’ China will therefore develop ‘a modern maritime military force structure commensurate with its national security and development interests [and] safeguard its national sovereignty and maritime rights and interests.’ The PLA Navy will enhance its capabilities for ‘open seas protection,’ including deterrence and counterattack. In accordance with its policy of ‘active defence,’ the paper claims that China ‘will not attack unless we are attacked, but we will surely counterattack if attacked.’

Given China’s significant interest and reference to Southeast Asia, it is clear that the main focus is on the region. However it is also important for the maritime policy beyond the region. It stresses the importance of international cooperation when it states that ‘the armed forces will actively participate in both regional and international security cooperation and effectively secure China’s overseas interests’. With growing investments across and globe, supplies such as oil from unstable regions, it suggests a more proactive

role in international security, backing up the Djibouti development.

Conclusion

Although the specific details of China’s naval base in Djibouti are unclear, they do signal a major development in China’s regional and global ambitions, moving towards a more global presence. This can bring some benefits to East Africa and the Middle East, in part mitigating the reduced capability and willingness of Western Navies and nations as a whole to confront emerging security challenges, both in the littoral zone and beyond. This can also challenge Western maritime presence in the region. Managing this potentially destabilising impact of these facilities will be important but the relatively low level footprint will help mitigate this. China’s main focus in the short and medium term will focus main on the South China Sea and securing the first and second island chains. However China’s port infrastructure investment should be viewed as an important medium to long term method of increasing China’s global reach.

About 'Resurgence of Russia and China programme':

As the US starts to scale down its 'heavy footprint' from the Islamic-world; the resurgence of new powers becomes crucial to evaluate. The rise of today's regional and tomorrow's global power and their internal and external policies will determine future discourses. Among the rising economies and military powers; Russia and China stand out the most.

Russia has become a key global actor in the aftermath of Syrian revolution. It is the first time since the end of the cold war that Russia is not only directly involved in managing global affairs but has even managed to dictate them in Syria as well as in Georgia Taking further advantage from its new role of an emerging global power; Russia is now seeking new relations in different regions of the Islamic-world i.e. Middle East (Egypt, Syria), Central and South Asia etc.

Chinese foreign policy in the different regions of the Islamic-world can be seen as a combination of foreign policy approaches. The over-riding themes of Chinese foreign policy however remains limited to the projection of 'soft power' mixed with economic interaction and developmental strategies. This paradigm may not be sustainable in the near-future as the global system seems to shift towards multi-polarity. Chinese inter-relations with the US hard power and their economic interdependence may empower its soft foreign policy approaches. If however, these trends continue to change as the current geo-strategic trends demonstrate, Chinese foreign policy may have to radically change in terms of projecting its economic and military power in order to cater for its huge energy demands, resources and raw material etc.

Furthermore; although China and Russia may have different geopolitical interests; they have also found common grounds and convergences of interests on different global issues. As the US tries to 'rebalance' Asia Pacific and Eastern Europe: the convergences of interests are likely to steadily grow in the near to mid-term future.

Finally; as the internal unrest grows in many parts of the Islamic-world; the role of emerging power such as China and Russia will be hugely important to monitor.

Key Feature of the programme:

- Analysis of China and Russia's historic development in the last few decades
- Analysis of contemporary socio-political trends within China and Russia
- Analysis and evaluation of current Chinese and Russian foreign policy models and paradigms, particularly in the regions of the Islamic-world
- Exploration and evaluation of China and Russia's military and defence strategies
- Exploration and evaluation of Chinese cyber-warfare capabilities
- Analysis of fragility or sustainability of western power and Pax-Americana
- Analysis of the inter-relation of the emerging powers i.e. India, Brazil, Vietnam, Indonesia, Myanmar etc. with China and Russia
- Analysis of new blocs particularly Shanghai cooperation organisation (SCO) or ASEAN and Chinese influence and Russian led 'custom' and 'trade' Unions
- Establishment and anticipation of different Chinese and Russian foreign policy models, using 'futurology' studies and by the above mentioned analyses of current and emerging trends etc.

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IISA is a think-tank and an intellectual forum for addressing the current and future dynamics of the Islamic-world and its interaction with Western civilisation. Based in London, IISA will create trans-Islamic and global reach. IISA seeks to establish a platform where Islamic-world's dynamics, trends, issue, problems or crises are analysed within the Islamic-world and by working on local models and realities and not against any external standards or perceptions. We will be one of the leading think-tank on the Islamic-world and its role in the contemporary global system. In a short span of time we have attracted great academic support and a reputation for both open and track-II dialogues. IISA is the only think tank initiative that goes beyond national and regional inclinations and addresses strategic and socio-political issues/crises of the Islamic-world in its totality. For more information i.e. our mission statement, current programmes and our academic and regional expertise please visit the following links:

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