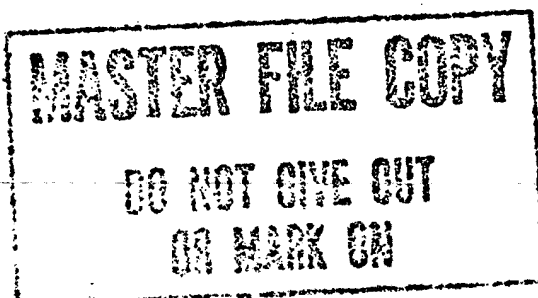


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## Djibouti: Gouled Under Pressure

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### An Intelligence Assessment

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# Djibouti: Gouled Under Pressure

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An Intelligence Assessment

This paper was prepared by [redacted]  
Office of African and Latin American Analysis, with  
economic contributions by [redacted]  
ALA, and biographic contributions by [redacted]  
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Comments and queries are welcome and may be  
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**Djibouti:  
Gouled Under Pressure**

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**Key Judgments***Information available  
as of 15 April 1986  
was used in this report.*

Mounting political and economic pressures are increasingly straining Djibouti's stability, but President Hassan Gouled probably will remain in power over the near term by maintaining French military backing and balancing foreign and domestic rivalries. Over the long term, however, we believe Gouled—a staunch advocate of continued US and French military access to his country's strategic port and airfield—faces the prospect of increased domestic unrest, especially if he fails to come to grips with a stagnating economy. In our view, heightened internal conflict in Djibouti would create ripe opportunities for Libyan, Ethiopian, and Soviet meddling. Tripoli is particularly intent on denying US and French access to Djibouti's strategically located military facilities, in our judgment, and probably would move quickly to exploit political disorders with a view to expanding Libyan influence in the Horn of Africa. In the face of these threats, we judge Gouled has become increasingly concerned about France's long-term military commitment to Djibouti, and almost certainly will seek additional US military and economic aid as a hedge against possible French withdrawal.

Gouled's most pressing near-term problem is the deteriorating economy. Djibouti is almost completely dependent on foreign assistance because of its meager resources. Moreover, growing budget shortfalls have put the Gouled regime in dire need of new aid transfusions. In our view, however, foreign aid retrenchment by France and Saudi Arabia—long Djibouti's primary benefactors—is likely to continue. If this occurs, Gouled's political survival probably will hinge in part on how successful he is in securing alternative sources of assistance. As a result, we judge Djibouti's economic crunch will lead to increasingly desperate calls for help to other Western and Arab donors, but particularly to the United States. In the probable event that Gouled does not obtain enough additional assistance, he will come under increasing pressure to trim the bloated government bureaucracy and generous social welfare programs inherited from the French. Nevertheless, with an election scheduled in 1987 Gouled is likely to again postpone such moves because of the adverse impact they would have on his political and tribal supporters.

On the positive side, Gouled has benefited from the absence of an opposition leader who could capitalize on economic strains and catalyze Djibouti's deep reservoir of personal and tribal antagonisms. This could change rapidly, however, if he fails to tackle the country's internal problems or makes a mistake that unwittingly spurs the development of an opposition movement, particularly among his tribal foes. In our judgment,

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Gouled's past inability to stimulate economic growth has deepened discontent in the dominant Issa and Afar tribes and contributed to a popular malaise that affects nearly all sectors of Djiboutian society. While this malaise and the country's chronic ethnic rivalry are not sufficient to bring Gouled down, we believe they could eventually become key factors in the coalescence of a viable opposition to him.

Despite the many external pressures he faces because of Djibouti's military and economic weaknesses, Gouled has taken an increasingly active role in working for regional stability and reconciliation, especially between Ethiopia and Somalia—both of whom have ethnic ties to Djibouti's rival tribes. In our opinion, Gouled is well aware of the opportunities his internal problems provide for foreign pressure or destabilization, but available evidence indicates he has the political skills to continue to cope with both domestic and foreign pressures. Nevertheless, while his security forces are loyal and capable of containing most outbreaks of unrest, they probably would be hard put to contain a determined foreign subversion campaign.

Even if Gouled is able to weather the internal and external pressures facing him in the near term, the failure to solve his country's underlying problems will leave Djibouti vulnerable over the longer haul. With no successor to the 69-year-old President in sight and the growing likelihood that none will be appointed before he passes from the scene, we believe the post-Gouled period could see a sharp rise in domestic tensions as rival interests—Issa and Afar, French and Libyan, Ethiopian and Somali, and Soviet and US—jockey for position. Under these circumstances, any successor would be severely tested to maintain Djibouti's stability and territorial integrity, and may be induced to upgrade significantly the country's ties to Libya, the USSR, or radical states. Nevertheless, we judge Djibouti's increasingly close ties to the moderate Arab nations and France's still vital economic and military role would act as important counterweights to any pressures pushing Gouled's successor away from the country's present pro-Western stance.

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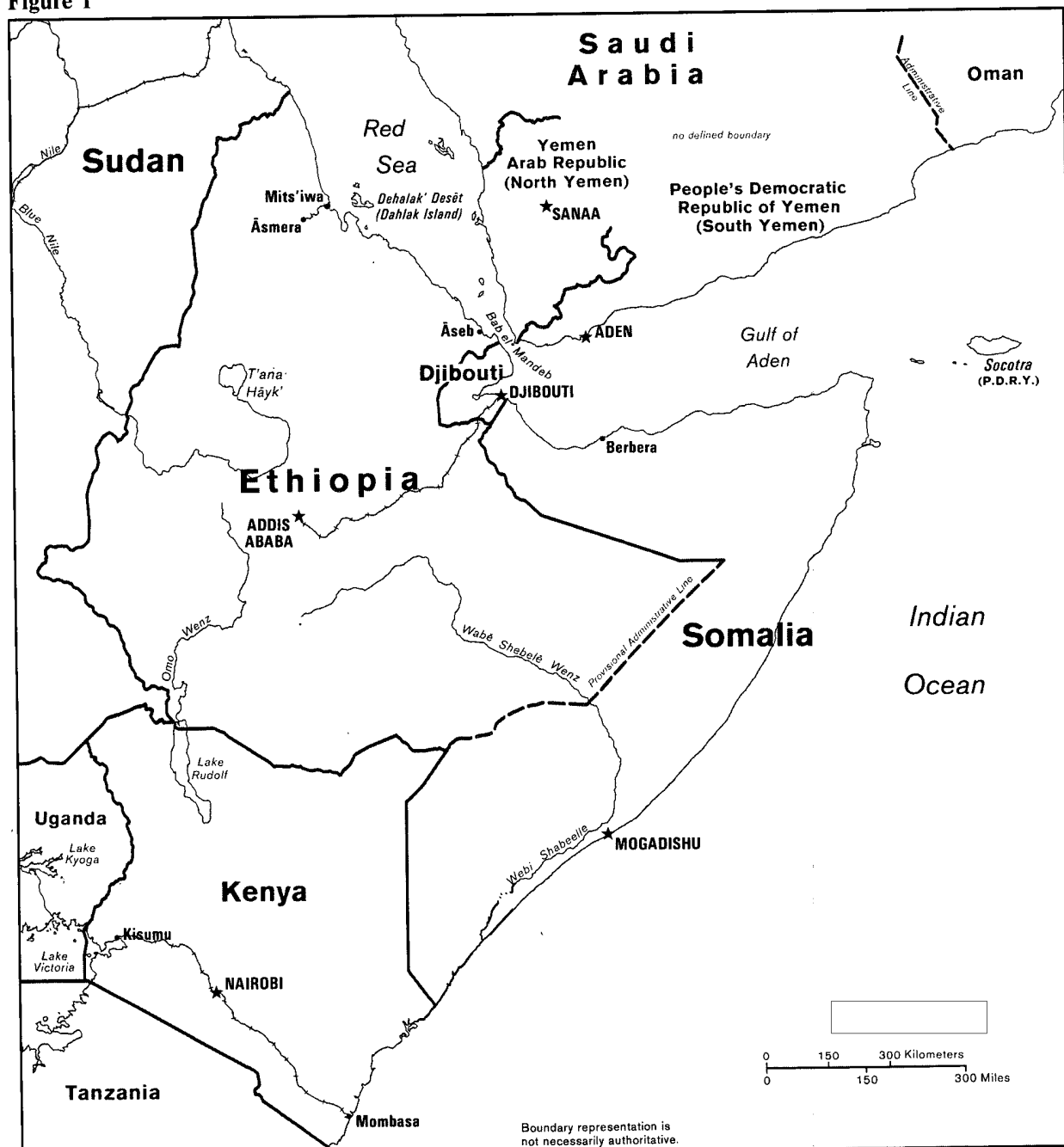
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**Djibouti:  
Gouled Under Pressure**

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**Introduction**

Largely because of its excellent deepwater port and chokepoint location on the Bab el Mandeb Strait, Djibouti has long been subject to competing African, Arab, Soviet, and Western interests. The vast majority of the estimated 20,000 ships that pass through the Suez Canal annually in the mid-1980s transit this narrow strait, which separates Djibouti from the Arabian Peninsula by only 65 kilometers. Since independence in 1977, President Hassan Gouled has skillfully navigated a moderate, pro-Western course for Djibouti by keeping the country out of the region's chronic conflicts. In our judgment, however, growing public discontent—largely caused by lingering economic stagnation, high unemployment, and simmering ethnic unrest—is likely to make Djibouti increasingly vulnerable to foreign meddling, especially if Gouled delays in addressing these problems. This paper assesses the challenges that face Gouled, both domestic and international, and the prospects for stability in this strategically situated city-state. The implications for US interests in the Horn of Africa are also addressed, including the outlook for continued US and French military access to Djibouti.

Gouled frequently refrains from taking action on important issues because of the potential ethnic unrest and conflict a government decision could spark. As a result, many of Djibouti's domestic problems have been left to fester to the point where they now run the risk of attracting unwanted foreign attention.

**Looming Economic Crisis**

According to the US Embassy, Gouled's most serious domestic challenge is the country's troubled economy, which is plagued by chronic stagnation, severe unemployment, and large budget deficits. Regional economic deterioration, war, and drought have exacerbated these woes and created refugees who have become an additional strain on the country's limited resources. In addition, transit trade via Djibouti's port and railroad has declined as a result of severe economic problems in neighboring Ethiopia, Somalia, and South Yemen. Nevertheless, the US Embassy believes that Djibouti's financial difficulties are largely a product of internal factors—including high energy and labor costs, low productivity, and lack of trained manpower—that have made the country unattractive to foreign investors who might otherwise be tempted by the country's central location and favorable investment code.

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**Growing Domestic Pressures**

Although not expected by many journalists and scholars to survive his first year of office, President Gouled has muddled through for nearly a decade, despite a political system riven by ethnic strife, an economy with dim prospects for expansion, and powerful neighbors prone to explosive conflict. Judging from both US Embassy and press reporting, Gouled has managed to survive in part by staying above the ethnic fray and avoiding difficult or controversial issues. At the same time, the record shows he has been unable—mainly because of longstanding tribal antagonisms—to develop a political structure that would more effectively stimulate economic growth, promote political stability, and institutionalize the moderate policies he has pursued since independence. For example,

Lacking the expertise, qualified personnel, and infrastructure needed to overcome its scanty natural resources, Djibouti has relied on foreign—especially French—aid for economic survival. The key French aid ingredients have traditionally included direct budget support, development grants, a military aid program, and civilian and military advisers. In 1980 Paris began cutting its budgetary support to Djibouti across the board with the goal of eliminating it by 1990, according to the US Embassy. Recent French aid statistics suggest, however, that Paris has reconsidered this decision. Indeed, the decline in French aid has leveled off in the past two years in the face of potential Djiboutian economic collapse. Even so, direct French budget subsidies in 1985 were only one-third the 1980 level and now stand at about \$10 million.

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*Hassan Gouled Aptidon: Guardian of the Status Quo*

President since Djibouti gained independence from France in 1977, Hassan Gouled Aptidon is a cautious leader who "has raised indecisiveness to an art form," according to US diplomats. Despite his reputation for avoidance tactics and half measures, these officials report that President Gouled has skillfully balanced competing interests within his ethnically divided country, where rivalries flourish not only between the Afars and dominant Issas but also among the various Issa subclans. In addition, US diplomats note that Gouled's government of ethnic power sharing is a delicate, static arrangement that discourages reform and decisive action. For example, ministerial posts have sometimes remained vacant for over a year while Gouled searched for a candidate with suitable ethnic credentials. [ ]

A grandfatherly figure who enjoys wide popular support, Gouled avoids decisions that could tarnish his public image or foster costly tribal wrangling among his subordinates. According to the Embassy,

he is generally viewed as fair, moderate, and competent by his people and devoted to their well-being. Although he relishes public contact, Embassy reporting indicates that he is somewhat disengaged from the governing process and relies heavily upon Ismail Gueddi and Ismael Omar Guelleh, his Cabinet director and Cabinet chief, respectively, to oversee government administration. Nevertheless, US officials report that Gouled makes all government decisions himself, and commands the complete respect of his ministers. [ ]

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According to Embassy officials, the health of the 69-year-old President is uncertain, and he might like to step down. Most observers believe, however, that at least partially because no successor has emerged who could hold together Djibouti's fragmented society, Gouled, health permitting, will choose to succeed himself when his present term ends in 1987. In the meantime he appears to be letting the leading aspirants jockey for position while remaining above the fray—possibly in the hope that, in accordance with Issa tradition, a new leader will emerge through consensus. [ ]

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Honest, [ ] Gouled "may be the only totally incorruptible man in the government," according to Embassy officials. In the past the President preferred to sweep corruption problems under the rug; in recent years, however, the detrimental effect of corrupt activities has become so apparent that Gouled has spoken out against corruption and replaced some of the most blatantly dishonest public officials. [ ]

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According to the US Embassy, France is trying to help ensure an adequate overall aid flow while sharing the burden of supporting Djibouti by seeking out funds from other Western and moderate Arab states. In doing this, Paris is citing budgetary austerity, its heavy commitment to Chad, and the negative impact of a strong US dollar on the French franc. For its part, Paris has refocused some of its foreign assistance to include more administrative training and advisory

programs to promote Djiboutian self-sufficiency, rather than simply providing money to underwrite budget shortfalls. [ ]

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In addition to direct aid, the US Embassy estimates that spending by French military personnel and nationals accounts for some 25 percent of Djiboutian GDP. As Paris has lowered its profile in Djibouti over the years, even these funds have begun to dry up, and

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US Embassy reporting suggests that France's weaning process has stirred fear and resentment among those Djiboutians who depend on the French for their livelihood. [ ]

The reductions in French support have complicated Gouled's economic dilemma and put the onus on him to find reliable alternative donors—his chosen answer—or impose unpopular economic austerity. For his part, Gouled has turned to Saudi Arabia and the Gulf states for help, but the prospect for further aid is poor because of plummeting oil revenues. According to the Embassy, France is putting heavy pressure on the regime to undertake corrective austerity measures, including reform of state-run enterprises, reorganization of government ministries, improved tax

collection, and cuts in the expensive system of benefits to civil servants and military personnel inherited from France itself. While Gouled has undertaken some limited and painless reforms, he has balked at adopting measures that could alienate key sectors of political support, particularly in the government bureaucracy and military. [ ]

#### **Tribal Pressures**

Deep-seated tribal rivalry between Djibouti's two main ethnic groups, the Issas and Afars, is another factor Gouled must contend with [ ]

[ ] The conflict stems from the political and economic dominance of the Issas, who compose some 60 percent of the population. Heavily

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concentrated in the capital and ethnically tied to Somalia, the Issas control the presidency and the key government ministries, and outnumber the Afars in the military, security service, and gendarmerie. The Afars, who were dominant before independence, resent their changed fortunes and chafe under Issa hegemony. A largely nomadic people, the Afars make up approximately 35 percent of the population, and feel an ethnic kinship to Ethiopia. Although the Afars have done little more than grumble about their plight in recent years, the US Embassy believes that their grievances, aggravated by Djibouti's high unemployment, could cause them to opt for more violent forms of dissent, such as strikes, demonstrations, and rioting. [REDACTED]

The US Embassy reports that, because of the long-standing animosities between the Issas and Afars, even low-level government decisions can trigger discord and disruptive tribal clashes. [REDACTED]

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*The Economy: A Picture of Dependency*

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*Djibouti—tiny and almost devoid of natural resources and agricultural potential—is a city-state without a hinterland. About the size of New Hampshire and with a population of nearly 300,000, it depends upon imports for virtually all its needs, has little to export, and lacks the entrepreneurial skills and highly trained labor force to establish major light industries. Consequently, Djibouti needs external economic benefactors, just as its security depends on having a major military protector and patron.*

*Even by least developed nation standards, Djibouti's natural resources are limited. Almost 90 percent of its territory is desert, nearly 10 percent is pasture, and less than a quarter of 1 percent of the country is potentially suitable for agriculture. Essentially all food is imported, and the country depends almost exclusively on imported petroleum for its energy requirements. Djibouti survives—fairly well in comparison to its neighbors—primarily through foreign aid, banking, transshipment, other services, spending directly associated with the large French military and civilian presence, and remittances from citizens working abroad.*

*The country's generally deteriorating economy is characterized by rising unemployment, recurrent budget deficits, rapidly mounting external debts, and a precipitous decline in budgetary reserves. According to the IMF, from 1982 to 1984 the economy averaged 1.5-percent-per-annum growth with an estimated 1-percent GDP growth rate in 1985. As a result of the Djiboutian franc's link to the US dollar, the domestic rate of inflation has remained below 2 percent since 1982. The IMF currently estimates a jobless rate of about 20 percent of the working-age population, but US Embassy officials report there are indications that unemployment is significantly higher and probably rising.*

*Many of Djibouti's economic troubles reflect outside events, in our judgment. A significant retrenchment in French grant assistance, coincidentally timed with a*

*sharp fall of the French franc relative to the US dollar, has adversely affected a budget greatly dependent upon foreign subventions. Regionally, Djibouti's trade ties to its neighbors have been disrupted by Ethiopian-backed Somali insurgents, who use Djibouti as a logistic corridor and staging area for attacks on northern Somalia. The US Embassy reports that transit trade—a vital source of revenue for Djibouti—also has declined because of war conditions in the Persian Gulf. Furthermore, falling oil revenues have curtailed financial assistance from Arab countries, particularly Saudi Arabia.*

*The Gouled government has taken limited measures to put its fiscal house in order. A balanced budget is a constitutional requirement; past fiscal measures include reduced 1984 outlays followed by small increases in expenditures in 1985 and 1986. The US Embassy reports that these budgets have been financed through regular—albeit reduced—French assistance, the drawing down of the country's special reserves, and increased import taxes. The government, however, has not taken meaningful steps to reform a public administration system marked by lethargy and corruption, an incompetently managed network of inefficient state-run enterprises, and a tax system rife with slippages.*

*An influx of refugees and immigrants from both Ethiopia and Somalia has been a further strain on Djibouti's limited resources. According to the US Embassy, approximately 19,000 refugees and drought victims of various ethnic groups are living in camps managed by Djibouti's relief organization and the United Nations High Commission for Refugees. Steady immigration from neighboring countries—particularly Somalia—also has fed a population rate substantially above the natural growth rate of 2.9 percent. Despite US Embassy reports that the Gouled regime is trying to gradually repatriate the refugees, Ethiopia's population resettlement programs could eventually create additional refugees and more pressure on Djibouti's fragile economy.*

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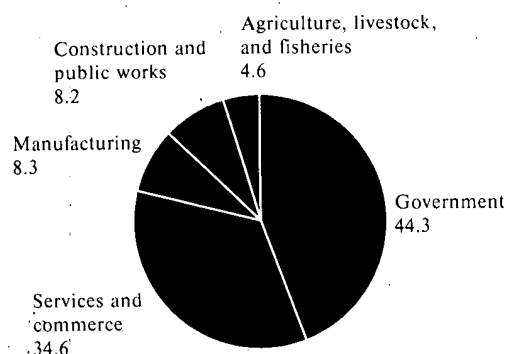
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**Figure 4**  
**Djibouti: Key Economic Indicators**

Note scale change

**Gross Domestic Product, 1985**

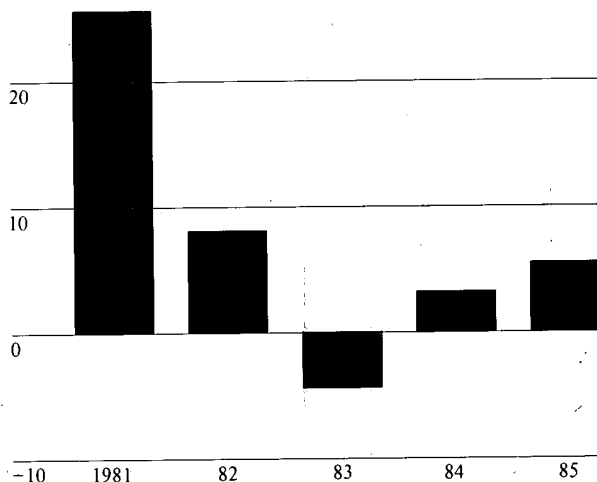
Percent



**Total Government Revenues, 1981-85**

Percent

30

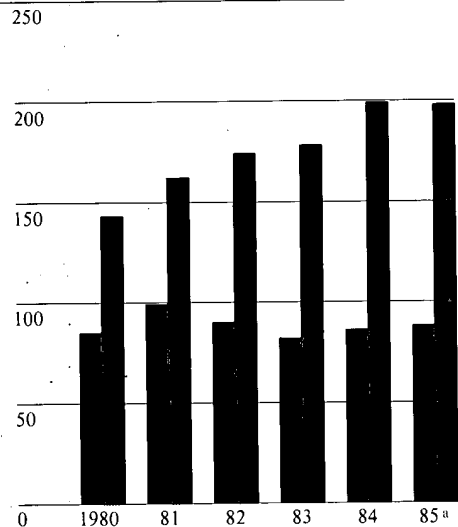


**Exports FOB and Imports FOB**

Million US \$

250

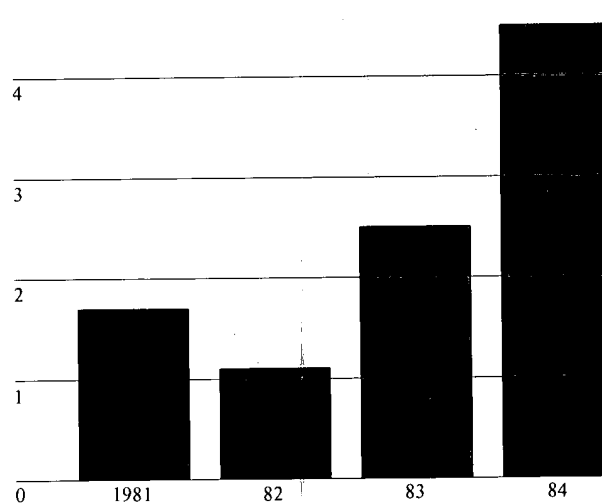
■ Exports  
 ■ Imports



**Operating Losses for Major Public Enterprises**

Billion Djibouti Francs

5



<sup>a</sup> Estimated.

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Embassy reporting also indicates that Gouled's attempts to placate the Afars' discontent by allowing them a significant role in government have been undermined by squabbling within his ruling Issa tribal group. Gouled, who is a member of the minority Mamassan clan, has occasionally come under fire by fellow Issas for tribal favoritism and nepotism, and Embassy sources report that small groups of his critics—including former government officials—have tried to covertly organize against him. According to the Embassy, the French military command views these intra-Issa strains with concern, although it expects no direct or imminent confrontations because of the privileged positions most Issas enjoy. The US Embassy concurs with this view, noting that Gouled's base of support—key Issas in the military and government—still back him strongly. [ ]

#### Signs of Discontent

A review of Embassy reporting suggests that the Gouled regime's inability to deal with diminishing economic prospects has led to a "malaise" in Djiboutian society that has eroded the government's public standing in recent years. The Embassy reports that unemployed youths in the capital—including many idle Ethiopians and Somalis fleeing drought and military service—have in the past staged demonstrations to express their discontent. A recent demonstration begun by vocational students, for example, quickly drew hundreds of supporters and degenerated into a riot. Reporting from a variety of sources indicates that most of these demonstrations—unusual for tranquil Djibouti—are not politically motivated, but some have taken on antigovernment overtones and forced Gouled to intervene with security forces. According to the US Embassy, the French Ambassador believes this popular malaise has in turn undermined the country's administration at the working levels and engendered low morale, absenteeism, disrespect for authority, and resentment over incompetence by superiors; at senior levels, it reportedly prompts infighting among the President's principal advisers, particularly Foreign Minister Moumin and Cabinet Director Guedi. [ ]

At the most basic level, public discontent and social tensions are mainly caused by frustration with the gradually declining standard of living and the scarcity

of jobs. Moreover, Gouled's old remedy—soliciting foreign aid for employment-generating projects—is no longer available. The US Embassy reports that the growing gap between the few, mostly unskilled, jobs available and the increasing number of well-educated Djiboutians has magnified the social impact of unemployment. According to the Embassy, Djibouti's relatively high-quality educational system—modeled after the French—has provided enough education to people lacking the skills to go to universities in France to make them overqualified for available traditional jobs. As a result, rising expectations of better employment opportunities are fueling dissatisfaction, which the Embassy believes could eventually strengthen the appeal of radicals who play on social inequalities. [ ]

A review of US Embassy reporting indicates that widespread government corruption and mismanagement have contributed significantly to the development of discontent in Djibouti. Because signs of wealth are highly visible in this tiny city-state, the conspicuous consumption of senior government officials draws public attention to the problems of waste, fraud, and abuse. In mid-1985 Gouled responded by launching a limited crackdown on corruption that resulted in the sacking of his Minister of National Defense and threats of dismissal to any official seeking to gain from his post. Embassy reporting indicates Gouled's reluctance to disturb the delicate ethnic coalition of his Cabinet prevented him from sacking more ministers, despite the urgings of several senior officials, including Foreign Minister Moumin. [ ]

#### Foreign Relations: A Delicate Balancing Act

While Gouled is facing mounting internal problems, he also has to be sensitive to Djibouti's international stance. A heavily Islamic country, Djibouti closely follows the foreign policy line of its moderate Arab neighbors across the full spectrum of issues. Nevertheless, in a region dominated by Marxist and military regimes, the Gouled regime enjoys French security protection and supports Western interests in East Africa and the Arabian Peninsula by providing

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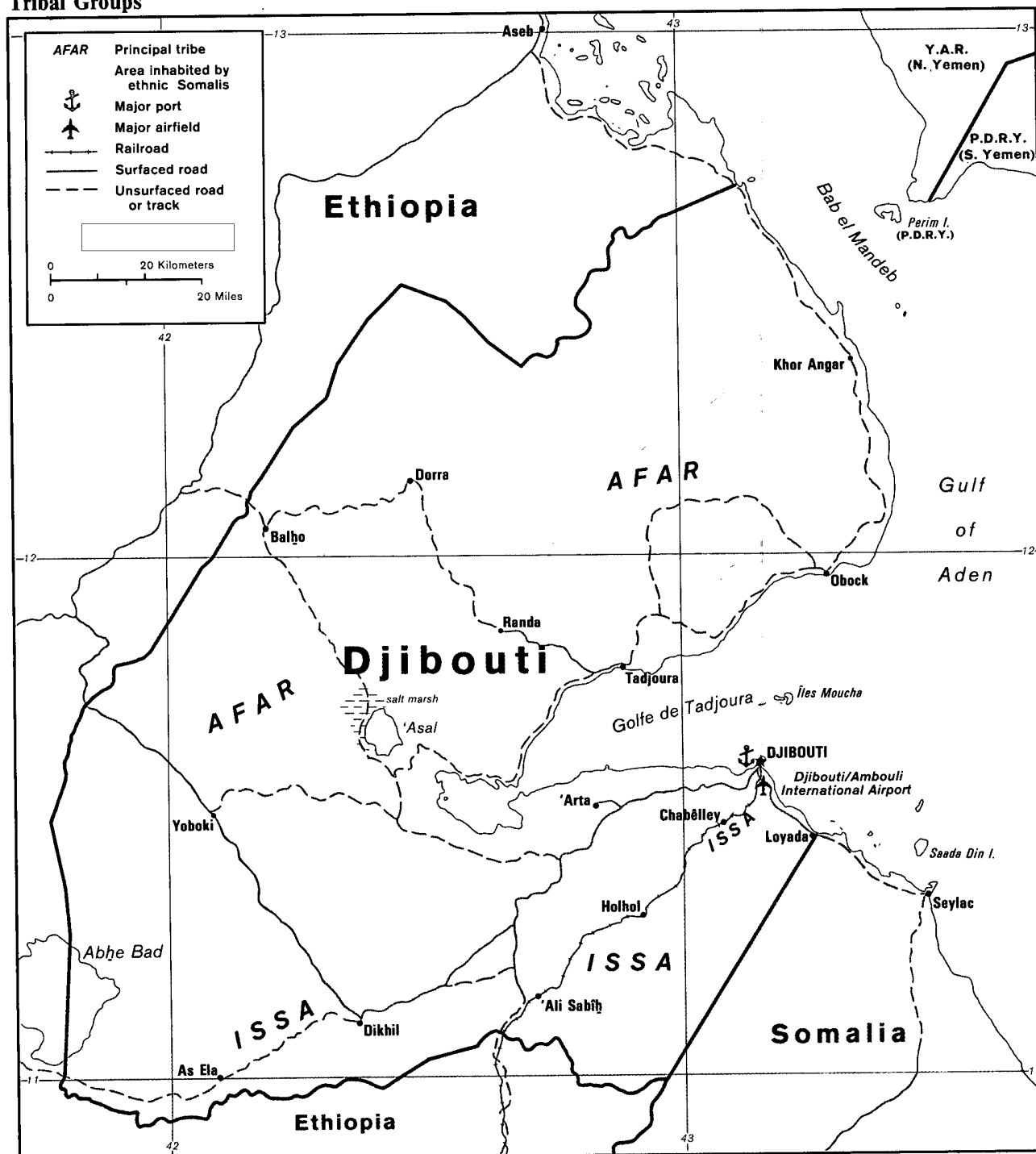
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Figure 5  
Tribal Groups



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France and the United States with access to its port and airfield, including short-notice US Navy ship visits and P-3 reconnaissance flights. According to US Embassy reporting and several academic studies, however, Gouled's principal foreign policy objective has long been to keep Djibouti from becoming embroiled in regional or international conflicts. In doing this he has to take into account a number of key regional actors—particularly Ethiopia and Somalia—while at the same time factoring in the roles and ambitions of international players like France and Libya. [ ]

#### **The French Role: Key to Stability**

US Embassy and defense attache reporting indicates that France still views Djibouti as strategically important. Djibouti, for its part, enjoys French military protection guaranteed by the 1977 Franco-Djiboutian Defense Treaty. Under the terms of the treaty, Paris is obligated to defend the country against external aggression; in return, France receives unlimited access to all Djiboutian air and maritime facilities. These well-located facilities allow French air, ground, and naval forces to serve French interests in the region, and provide a unique training ground for French personnel and equipment. Moreover, France bases its Indian Ocean naval squadron in Djibouti, where it serves as a vital link to French forces in Europe and helps protect oil routes from the Persian Gulf through the Bab el Mandeb Strait and Suez Canal. [ ]

Aware of Djibouti's anxiety over falling economic aid, France has sought to reassure Gouled that its 4,800 man military contingent will not be cut. Although French security assistance has been gradually reduced to its present level of \$11 million per year, the program still is extensive and includes supply of equipment and ammunition, training in France, and approximately 100 advisers who serve in the Djiboutian forces. Despite its seemingly steadfast military commitment to Djibouti, the US Embassy reports that Paris sees no successor to Gouled who has his stature, and fears that a weak successor might be displaced by "progressive" or radical Arab elements that would exploit unemployment and corruption. [ ]

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#### **France's Historical Role in Djibouti**

*France seized Djibouti in the 1860s for use as a refueling station for ships steaming through the newly opened Suez Canal to Indochina. France and Ethiopian Emperor Menelik II agreed on the boundaries of the protectorate—then called French Somaliland—in 1897, the year construction started on the Addis Ababa-Djibouti railway. [ ]*

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*Border clashes with Italian forces following the Italian occupation of Ethiopia in the 1930s prompted Paris to enlarge its Djibouti garrison significantly. Vichy French forces controlled Djibouti from the fall of France until December 1942, when the Free French and Allied forces took over. [ ]*

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*On the eve of independence for many French African colonies, Djibouti chose in a 1958 constitutional referendum to become a French overseas territory, entitling it to representation in the French parliament. The next decade saw growing conflict between some French overseas civil servants who clung to Djibouti as one of Paris's few remaining colonial outposts and Djiboutians seeking employment in the territory's administration, according to academic sources. Despite growing pressure for independence, in 1967 the colony decided in a referendum to remain within the French Republic. In the mid-1970s, however, Paris began to accommodate increasingly insistent—and frequently violent—calls for autonomy, and Djibouti finally voted for independence in May 1977. [ ]*

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Djibouti's economic and security weakness has led Gouled to rely on and staunchly defend the vital role France plays in supporting and protecting Djibouti—and also makes him worry about Paris's commitment over the longer term. According to the US Embassy, Djibouti probably would not exist long as an independent state without French military patronage, just as its economy would collapse without France's still extensive economic largess and the presence of French technical advisers, known as cooperants. Nonetheless,

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press and Embassy reporting indicates Gouled occasionally threatens to turn to Libya for economic and military succor—with some success—as a means of emphasizing Djibouti's strategic importance to France and gaining assurances of continued financial support. [ ]

#### **Libya: Keeping Qadhafi at Bay**

Djibouti's internal problems have attracted the attention of Libyan leader Qadhafi, who seems intent on enlarging Tripoli's role in the Horn of Africa at Western—particularly French—expense. US Embassy reporting indicates that Libya has kept the Gouled regime off balance with carrot-and-stick tactics, and has tried to drive a wedge between Paris and Djibouti by offering Gouled attractive aid packages. For example, Qadhafi has pressed Gouled to grant Libya a cultural center and relay facilities for Radio Tripoli, implying that Libyan funds will be forthcoming in return. The US Embassy reports that, although no active Libyan aid programs are now under way, Tripoli recently provided Djibouti with a well-equipped maternity clinic but is withholding operating funds in an attempt to compel Gouled to support Libya in international forums. As a result of these tactics, Gouled has become wary of Qadhafi's promises of assistance, and appears to have concluded that in any event the risks of accepting his offers are too great, according to the US Embassy. [ ]

Complementing Tripoli's diplomatic pressure tactics are signs of a Libyan campaign to undermine the Gouled government. [ ]

[ ] While Libya's diplomatic gains in 1985 with Sudan, Somalia, and Morocco may have enhanced Qadhafi's stature in the eyes of some Djiboutian officials, according to the Embassy, we believe Gouled is deeply suspicious of the Libyan leader and will continue to keep him at arm's length. [ ]

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#### **Ethiopia and Somalia: Caught in the Middle**

In addition to dealing with international actors, Gouled has to consider the regional political balance, especially the rivalry between Ethiopia and Somalia. According to reporting from several US Embassies and open source literature, both Addis Ababa and Mogadishu seek to safeguard their interests in Djibouti against encroachment by the other. For his part, Gouled aims to avoid giving either of his immediate neighbors a pretext for interfering in his country. Indeed, Gouled's success in roughly balancing their interests has kept each side fairly content, even though his efforts to accommodate them often stir the suspicions of both. [ ]

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The key concern on Addis Ababa's part is one of access. Ethiopia is particularly sensitive to any moves that might threaten its use of Djibouti as a commercial port and point of transit for trade via the Addis Ababa-Djibouti railway. While Ethiopia's efforts to expand its port facilities at nearby Assab have resulted in reduced traffic on the railway, Djibouti continues to serve as an important access point for Ethiopian imports, especially relief aid. According to US Embassy estimates, Addis Ababa also garners an estimated \$30 million in yearly revenue from legal Djiboutian imports of the mild narcotic khat, which also earns Djibouti some \$11 million in tax revenues per year. [ ]

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Somalia's main interest in Djibouti is the continued political dominance of its Issa kinsmen, which Mogadishu sees as its most effective barrier to potential Ethiopian political inroads with the Gouled regime. According to the US Embassy, Somalia—which still harbors irredentist aspirations against Djibouti—also is wary of threats to the position of the small but

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influential ethnic Somali population in Djibouti. Ethnic Somalis occupy two ministerial positions in the Gouled government, according to the Embassy, and non-Issa Somalis—mostly merchants and traders from the Darod, Issak, and Gadabursi tribal groups—play an important role in the Djiboutian business community. [ ]

Despite these ethnic ties and Gouled's frequent efforts to improve relations, tensions with Mogadishu surfaced in 1984. According to US Embassy reporting, the tensions were primarily a result of President Siad's refusal to visit Djibouti and of his repressive policies toward northern Somalia, which has particularly close economic and tribal ties to Djibouti's ethnic Somali population. Further friction developed over the Somali-backed dissident attack on the Addis Ababa-Djibouti railway in February 1984, which damaged Djibouti's economy and prompted Gouled to quickly increase trade ties to Ethiopia. To underscore his displeasure with Mogadishu, the following March Gouled invited Ethiopian Chairman Mengistu to become the first head of state to visit Djibouti, and joined Mengistu in a pledge to coordinate border surveillance against "hostile forces," a clear reference to Somalia's support for the guerrillas. [ ]

Relations with Somalia have since thawed as a result of Siad's visit in January 1986 to attend the regional drought and refugee summit, where he met Mengistu for the first time since 1977. In our view, Djibouti's temporary tilt toward Ethiopia sent Somalia a signal it could not ignore. Moreover, this move testifies to Gouled's skill in carving out maneuvering room for Djibouti in the triangular relationship, despite its size and obvious military weakness. More important, Embassy reporting suggests his success in arranging January's summit talks between Siad and Mengistu through quiet and persistent diplomacy has helped Djibouti put relations with its quarrelsome neighbors back in rough equilibrium. [ ]

#### **Soviet Union: Gouled Keeps His Distance**

US Embassy and other reporting suggests that, despite Gouled's occasional public threats to expand ties to the Soviet Union if Western assistance does not increase, he remains profoundly suspicious of Moscow. The Embassy reports that the record of the

Marxist-Leninist experiments in Ethiopia and South Yemen has confirmed Gouled's longstanding and fundamental opposition to Moscow. Furthermore, we judge the overthrow in January of South Yemeni President Hasani and Moscow's subsequent backing of the rebels in Aden almost certainly quashed any ideas Gouled may have had about upgrading Djiboutian-Soviet relations. Foreign Minister Moumin told the US Ambassador that a Soviet "dirty trick" led to the coup in Aden, and cited Soviet "duplicity" as the reason for Djibouti's denial of Soviet requests for overflight clearances. [ ]

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Moscow's refusal to assist in Djibouti's economic development also contributes to Gouled's dim view of the Soviet Union. Other than the Aeroflot landing rights that Moscow pays for, the US Embassy reports no known Soviet aid or assistance programs to Djibouti nor significant commerce or trade. Although a Soviet Navy cruiser recently visited Djibouti for the first time since 1982, the Gouled regime reportedly encouraged the port stop only as an expedient means to gain badly needed hard currency. [ ]

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Nevertheless, US Embassy officials report that the Soviets are attempting to build contacts in Djibouti. For example, Moscow offers up to 50 scholarships per year to Djiboutians for study in the Bloc countries, and Soviet officials reportedly have tried to cultivate contacts with those returning from such training—most of whom work in the government bureaucracy. The Soviets also have recently increased their propaganda activities in Djibouti by sponsoring small film shows and a public exhibition touting Soviet accomplishments. According to the Embassy, however, none of these activities has gained Moscow support or influence among the populace and none seems likely to, as Djiboutian security officials keep close tabs on Soviet movements in the country. [ ]

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#### **Outlook**

On the basis of a review of indicators of political and economic instability (see appendix A), we believe Gouled is in no danger of losing his grip on power over the near term. According to the US Embassy, there is

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little evidence to suggest that the limits of the populace's tolerance of economic deterioration are reaching the breaking point. Indeed, the Embassy reports that most Djiboutians consider themselves much better off than their neighbors, and the extended family system continues to provide a cushion against severe economic hardship. Nevertheless, Djibouti's outlook for economic expansion is dim, and Gouled's future depends in part on his diplomatic skill in supplementing—or restoring—waning French economic aid. We believe Gouled can realistically expect little more than the maintenance of present total aid levels, however, even with the conservative French Government in power. As a result, mounting budget shortfalls will eventually force him to cut government spending and make needed economic reforms, even though he will try to postpone such moves until after the presidential election in 1987. While such belt-tightening measures will adversely affect some of Gouled's base of domestic support in the government bureaucracy and military, we believe he can avoid serious political backlash by moving cautiously—his stock in trade—and shielding his key allies from the full impact of any cutbacks. [ ]

In addition to the level of French economic aid, Gouled's future—and Djibouti's stability—is linked to the maintenance of the lucrative French military commitment. French military forces are an important part of the local economy, and we judge any significant drawdown of French personnel would cause serious economic damage. In our opinion, however, France's strategic interests—including its credibility in francophone Africa—and cultural pride probably will keep Paris engaged militarily in Djibouti for at least the near term with little or no change in the size of its garrison. [ ]

Should Gouled delay too long in tackling the country's budget problems, we judge deepening economic hardship probably will trigger more active opposition to his regime. Gouled's ruling tribal coalition is fragile, and increasing levels of domestic unrest—particularly if centered within his own Issa clan—could cause it to come undone. However, US Embassy officials report that none of Gouled's tribal opponents appear well organized at this time, and in most cases are not willing to risk violence to redress their grievances. As long as Gouled forestalls complete economic

collapse and keeps from aggravating tribal tensions, we believe that with the help of his security forces he can prevent the development of significant opposition to his rule. [ ]

In many ways Djibouti's security forces and military are Gouled's strongest cards. [ ]

[ ] the country's security service, gendarmerie, and 1,200-man paramilitary National Security Force are loyal to Gouled and capable of containing violent outbursts, including rioting. Gouled also appears to have the full support of the 2,600-man, French-trained Army, according to the US Embassy and defense attache. We have no evidence of coup plotting among the Army's senior officers, and US Embassy discussions with the French military attache indicate no French concern on this score. The French role in the Army is still a big one, and French officers attached to Djiboutian units continue to perform all the key organizational functions, according to the US defense attache. Despite evidence that the Army suffers from many of the problems endemic to Djiboutian society, including generational, personal, and clan rivalries, we believe it would remain loyal to Gouled in the event of serious political upheaval because of his longtime commitment—economic problems notwithstanding—to the maintenance of the military's many privileges and financial benefits. [ ]

In the foreign policy arena we expect Gouled to rely on his demonstrated skill in juggling competing foreign interests in Djibouti; as a result we anticipate little change in the country's moderate foreign policy. In our view, Gouled's recent success in improving relations with Somalia probably will buoy his domestic prospects, and may also enhance Djibouti's role as mediator in the Ethiopian-Somali conflict. While he most likely will balance ties to his neighbors for the near future, over the longer term we expect Gouled—fearing growing Ethiopian military strength and Mengistu's revolutionary rhetoric—probably will increasingly seek to accommodate Addis Ababa as a means to preclude potential Ethiopian meddling. Although Gouled is unlikely to succumb to Libyan pressure for improved ties as long as French aid is not cut significantly, we believe he may entertain Libyan aid offers as a risky means of gaining leverage on his

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Western and Arab benefactors for increased economic assistance. For its part, Moscow appears content to bide its time, realizing that it stands to gain from any political disorders or Libyan efforts to steer the regime away from the West. [ ]

We judge the most serious threat to Djibouti's stability over the long term will arise when Gouled steps down or passes from the scene, particularly if he continues to refrain from appointing a clear successor. Although we expect him to stay on for another term in 1987, Gouled's health is uncertain, and we believe a succession crisis could unleash the long-simmering ethnic and class grievances built up under his leadership. Political infighting probably would hinder the emergence of an individual who can gain both local stature and French confidence—the key factors in Djiboutian politics. Tribal antagonisms also might escalate and spark violence in such a scenario, which we believe could draw Ethiopian or Somali intervention on behalf of their clan brethren. Under these circumstances, any successor lacking Gouled's political instincts would be hard pressed to keep order and preserve Djibouti's independence. [ ]

In the event of an attempted coup against Gouled, France's willingness to back up its interests in Chad with military force leads us to judge that Paris would intervene with troops on his behalf, but only if formally asked and then only if the situation could be handled without a large-scale involvement. On the basis of discussions with the US Embassy and defense attache in Paris, however, if France judged its vital interests—namely continued military access—were not in jeopardy, we believe it might choose only to protect its nationals and take its chances with a successor regime. In such a scenario, Paris might believe its still important economic and military role in Djibouti would be enough to sustain French influence in the post-Gouled period, no matter how radical his successors. [ ]

#### Implications for the United States

As long as Gouled remains in power—and, according to the US Embassy, he is virtually assured of another presidential term in 1987 if he wants it—we believe he will maintain good relations with the United States while emphasizing Djibouti's choke point location to gain additional economic and security assistance. US officials report that Gouled is uncertain about France's long-term commitment to Djibouti, and we believe he will increasingly look to the United States to supplement France's role as military patron and protector. [ ]

While a more visible US military role could be a sensitive issue for Gouled both domestically and internationally—until recently, for example, he cleared US ship visits and reconnaissance flights on a case-by-case basis—we concur with the US Embassy that he almost certainly would welcome a quiet increase in Washington's military aid. According to the Embassy, Gouled believes that current US aid, which has tripled since 1983 to approximately \$9 million, is still too low given the importance to the United States of access to Djibouti's military facilities and of its continuance as a pro-Western, democratic state located in a strategic position. [ ]

The lack of a clear successor to Gouled poses the most serious potential threat to Djibouti's stability and pro-US stance in the coming years, in our judgment. Even if Gouled does appoint one before leaving the scene, his role as the country's founding father and most popular figure will be a difficult act for any successor to follow. We have no evidence that any of the leading contenders (see appendix B) would be opposed to close ties to Washington or continuing US military access in Djibouti. In any event, we believe the still vital French role in Djibouti probably will constrain the emergence of any regime hostile to the United States and the West. [ ]

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## Appendix A

**Djibouti: Selected Political and Economic Indicators****Prospects for major regime policy change**

- During next six months
- During next six months to two years

- Not of concern
- Low concern
- Moderate concern
- Substantial concern
- Serious concern

Indicators	Legend		Comments
Social change/conflict ○	Ethnic/religious discontent	○	Tensions remain at low levels.
	Demonstrations, riots, strikes	○	
Economic factors ●	General deterioration	●	Reforms necessary but unlikely soon.
	Decreased access to foreign funds	○	
	Capital flight	○	
	Unpopular changes in taxes, subsidies, or price controls	•	
	Food/energy shortages	•	
	Inflation	•	
Opposition activities ○	Organizational capabilities	○	Opponents isolated and appear unwilling to risk violence.
	Opposition conspiracy/planning	○	
	Terrorism and sabotage	•	
	Insurgent armed attacks	○	
	Public support	•	
Military attitudes/activities •	Threat to corporate military interests/dignity	•	Key base of Gouled's support; well provided for.
	Discontent over career loss, pay, or benefits	•	
	Discontent over government action/policies	•	
	Reports/rumors of coup plotting	•	
External factors ○	External support for government	○	French role gradually declining.
	External support for opposition	○	
	Threat of military conflict	•	
Regime actions/capabilities ○	Repression/brutality	•	Security forces loyal and efficient.
	Security capabilities	•	
	Political disunity/loss of confidence	○	
	Loss of legitimacy	○	

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**Appendix B****Leading Political and Military Figures****MOUMIN Bahdon Farah**

Minister of Foreign Affairs and Cooperation since 1978 ... secretary general of the Rassemblement Populaire Pour le Progres (RPP), Djibouti's sole legal party ... Gouled's longtime political ally ... highly regarded by US diplomats for effective and moderate approach to foreign affairs ... supported construction of US facilities in Berbera as a counter to Soviet presence in Ethiopia ... shrewd and perceptive analyst of regional issues ... energetic, hard worker ... Issa ethnic group, Yonis Moussa subclan ... about 46 ... most powerful official in the government after Gouled ... [redacted] he is rumored to favor repressive measures against the Afars ... leading candidate to succeed Gouled but support has eroded somewhat because of increasing government infighting and his own sagging business fortunes ... [redacted]

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**Ismail GUEDI Hared**

Director of the Cabinet since 1977 and de facto Prime Minister ... deputy secretary general of the RPP ... Gouled's principal adviser, completely trusted ... oversees government administration with emphasis on economic issues ... appears to be Moumin's chief rival in succession struggle ... competent technocrat [redacted] ... unpopular among other ministers ... dynamic ... Issa ethnic group, Saad Moussa subclan ... about 45. [redacted]

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**Ismael Omar GUELLEH**

Chief of the Cabinet and unofficial head of intelligence and security ... controls government's information services ... inspector general of the RPP Politburo ... nephew of Gouled, enjoys his complete trust ... coming on strong as President's favorite and has his ear ... emerging as strongman, feared but respected ... one of wealthiest men in the country ... [redacted] Issa ethnic group, Mamassan subclan ... 39 ... rumored to be pro-Ethiopian, seen by many as Addis Ababa's front man in Djibouti ... has the means to topple Gouled but lacks political stature ... riding on President's coattails and hoping to play king-maker in succession struggle ... could tip the balance in favor of Moumin or Guedi. [redacted]

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**Gen. Ali Meidal WAISS**

Chief of Staff, Djibouti National Army, since shortly after independence in 1977 ... sometimes acts without the concurrence of President Gouled ... [redacted]

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[redacted] doubts French commitment to Djiboutian security, according to the US Embassy, and advocates a more active US presence in the Horn ... enjoys being a public figure ... a competent and professional officer ... former officer in the French Gendarmerie ... 1983 graduate of the French War College ... first Djiboutian to achieve general officer rank (1984) ... Issa ethnic group, Mamassan subclan ... 46 ... married, six children. [redacted]

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**BARKAT Gourad Hamadou**

Prime Minister and Minister of Port Affairs since 1978 ... first vice president of the RPP ... compromise choice for prime minister to assure ethnic balance in government ... may want to succeed Gouled in 1987 but is not considered a serious contender ... does not formulate policy. [redacted] leader and administrator ... [redacted] generally well liked ... Afar ethnic group, Adorassoul clan ... 56 ... experienced legislator, honorary nonvoting member of the French Senate. [redacted]

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**Maj. ZAKARIA Cheik Ibrahim**

Commander, 1st Armored Company, Djibouti National Army ... an influential officer with a strong nucleus of support within the Army ... charismatic and capable ... widely respected as a strong, professional officer ... French trained ... devout Muslim ... intensely nationalistic ... ambitious but loyal to the President ... rumored as having close ties to Libya ... Issa ethnic group, Mamassan subclan ... probably in his early forties. [redacted]

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**ALI Aref Bourhon**

Leading Afar political personality ... dominant preindependence figure ... President of the Council of the French Territory of the Afars and Issas (now Djibouti) for over 10 years ... has not held a political office since French sacked him in 1977 in favor of Gouled ... opposes Issa political domination and "second-class" citizenship of Afars ... about 52 ... highly respected administrator ... well educated, sophisticated. [redacted]

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**Ahmed DINI Ahmed**

A vocal and visible critic of Gouled government ... temporarily quiescent but may try to influence succession ... has ties to several dissident groups ... served as prime minister for six months following independence, resigned in protest of alleged Afar oppression ... founded the aborted opposition Popular Party of Djibouti in 1981 ... subsequently imprisoned for a short time ... high ambitions [redacted] alternates allegiance to Addis Ababa and Mogadishu ... Afar ethnic group, Adali subclan ... about 44 ... [redacted]

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