

*Exploring the Implications of the Somaliland-Ethiopia MoU: Trade, Security, and Diplomacy*

## Exploring the Implications of the Somaliland-Ethiopia MoU: Trade, Security, and Diplomacy

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### Abstract

This comprehensive study investigates the multifaceted implications of the Memorandum of Understanding (MoU) signed between Somaliland and Ethiopia in 2024. This landmark agreement involves Ethiopia leasing a naval base in Somaliland in exchange for Ethiopia's official recognition of Somaliland as an independent state. The MoU has profound implications for trade, security, and diplomacy within the Horn of Africa. By employing a qualitative research approach that incorporates focus group discussions with a diverse array of stakeholders, this study delves into the myriad benefits, challenges, and broader impacts of the MoU. The findings reveal that the MoU has the potential to significantly enhance trade efficiency by improving logistics and connectivity between the two entities. It also promises to bolster regional security through coordinated efforts to combat common threats such as piracy and terrorism, thus contributing to a more stable environment conducive to economic growth and development. Furthermore, the MoU is seen as a strategic diplomatic milestone that could pave the way for increased international recognition of Somaliland. However, the study also acknowledges the complexities and risks associated with the agreement, including the potential for increased regional tensions and the challenges inherent in achieving broader international recognition. Recommendations for policymakers emphasize the need for continued engagement in informal diplomacy, regional cooperation, and robust public diplomacy efforts to maximize the MoU's benefits. The study concludes with suggestions for future research to further explore the long-term impacts of such agreements on regional stability and international relations.

**Keywords:** Somaliland, Ethiopia, Memorandum of Understanding, trade efficiency, regional security, international recognition, informal diplomacy, regional cooperation, Horn of Africa.

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### **Introduction**

#### **Background**

In 2024, Somaliland and Ethiopia signed a landmark Memorandum of Understanding (MoU) that signifies a major shift in regional diplomacy within the Horn of Africa. This agreement, which encompasses strategic dimensions including trade, security, and infrastructure cooperation, has a pivotal component: Ethiopia's lease of a naval base in Somaliland. This naval base provides Ethiopia, a landlocked nation, with crucial maritime access, thereby enhancing its economic and strategic capabilities. For Somaliland, the MoU represents an opportunity to gain diplomatic recognition from Ethiopia, a significant step that could bolster its international standing.

Somaliland declared its independence from Somalia in 1991 following the collapse of the Somali central government. Despite establishing a stable government and democratic processes, Somaliland remains largely unrecognized internationally. This lack of recognition has driven Somaliland to seek partnerships and agreements to enhance its international standing and economic prospects. The MoU with Ethiopia is a strategic move aimed at securing economic cooperation, security guarantees, and ultimately, international recognition.

For Ethiopia, the MoU aligns with broader strategic interests. As a landlocked country, Ethiopia's economic expansion and military strategy are heavily dependent on access to maritime routes. The agreement provides Ethiopia with a strategic maritime outlet, enhancing its logistical capabilities and economic resilience. Additionally, by engaging in this agreement, Ethiopia strengthens its influence in the geopolitically sensitive Horn of Africa, reinforcing its position as a regional power broker.

#### **Historical Context and Significance**

The historical context of Somaliland and Ethiopia's relationship adds depth to the significance of the MoU. Historically, Somaliland and Ethiopia have shared complex relations marked by periods of cooperation and conflict. During colonial times, the borders and political dynamics of the Horn of Africa were shaped significantly by European powers, leading to a legacy of contested boundaries and ethnic divisions. Post-colonial periods saw Ethiopia navigating regional alliances and conflicts, often involving Somaliland and the broader Somali territories.

Somaliland's quest for international recognition has been a cornerstone of its foreign policy since its self-declared independence. Despite functioning as a stable, de facto state with its own government, currency, and military, it has not achieved formal recognition from the international community. This status has hampered its ability to engage in formal international diplomacy and secure international aid and investment. The MoU with Ethiopia, therefore, represents a crucial diplomatic victory for Somaliland, potentially paving the way for further recognition.

Ethiopia's interest in the MoU is driven by both economic and security considerations. Access to the port of Berbera, facilitated by the naval base, is a strategic asset for Ethiopia. It provides a direct maritime link that can significantly reduce the logistical costs associated with trade and military operations. Moreover, the port's strategic location near the Bab-el-Mandeb Strait, a critical chokepoint for global maritime trade, enhances Ethiopia's strategic military capabilities.

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### **Strategic and Economic Implications**

The strategic and economic implications of the MoU are multifaceted. For Somaliland, the agreement is expected to bring several benefits. Firstly, the economic cooperation resulting from the MoU could lead to increased investment in infrastructure, particularly in the port of Berbera. This development is likely to boost Somaliland's economy by facilitating trade and creating jobs. Secondly, the MoU enhances Somaliland's security by aligning it more closely with a regional power, thereby deterring potential threats from other actors in the region.

For Ethiopia, the MoU offers a solution to its long-standing logistical challenges as a landlocked nation. The naval base in Somaliland provides Ethiopia with an invaluable maritime outlet that supports its economic growth and strategic interests. The base will enable Ethiopia to project power in the region, ensuring the security of its maritime trade routes and enhancing its geopolitical influence.

Moreover, the MoU has broader implications for regional stability in the Horn of Africa. The region, characterized by complex geopolitical dynamics and historical tensions, stands to benefit from enhanced cooperation between Somaliland and Ethiopia. Improved security coordination and economic integration can contribute to regional stability, reducing the risk of conflicts and fostering development.

### **Diplomatic and Political Dynamics**

The diplomatic and political dynamics surrounding the MoU are complex and significant. For Somaliland, gaining recognition from Ethiopia is a critical step towards broader international legitimacy. This recognition could encourage other states to reconsider their stance on Somaliland, potentially leading to increased diplomatic engagements and economic partnerships. However, this recognition also comes with challenges. It may provoke tensions with Somalia, which considers Somaliland a breakaway region, and with other regional actors wary of shifting power dynamics.

For Ethiopia, the MoU strengthens its position as a regional leader. By supporting Somaliland's aspirations, Ethiopia can assert its influence in the Horn of Africa, balancing the power dynamics with other regional players such as Djibouti, Eritrea, and Kenya. However, this move also requires careful diplomatic navigation to avoid exacerbating regional rivalries and tensions.

### **Broader Geopolitical Context**

The MoU should also be understood within the broader geopolitical context of the Horn of Africa. The region is a critical juncture for global trade and military strategy, with major international powers having vested interests. The presence of foreign military bases and strategic investments by countries such as China, the United States, and Gulf states underscores the region's geopolitical significance. In this context, the Somaliland-Ethiopia MoU adds another layer to the intricate geopolitical tapestry, with potential implications for international relations and regional power structures.

### **Research Objectives**

This study aims to explore the implications of the Somaliland-Ethiopia MoU from multiple

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perspectives, including trade, security, and diplomacy. The research seeks to answer the following key questions:

1. How does the Somaliland-Ethiopia MoU affect diplomatic relations between the two entities?
2. What are the broader implications for regional stability and international trade?
3. How do stakeholders perceive the MoU's impact on Somaliland's quest for recognition?

By addressing these questions, the study intends to provide a comprehensive understanding of the MoU's strategic, economic, and political impacts, offering insights for policymakers and stakeholders in the Horn of Africa and beyond.

### **Literature Review**

#### **Memorandums of Understanding (MOUs)**

Memorandums of Understanding (MOUs) are crucial instruments in the realm of international relations, particularly for entities that operate outside the conventional state recognition framework. These agreements facilitate cooperation in various domains, including economic, security, and political fields, without necessitating the binding commitments typically associated with formal treaties. The flexibility of MOUs makes them especially valuable for unrecognized states or regions seeking to establish and enhance international partnerships and cooperation. This section reviews the literature on MOUs, focusing on their role, benefits, and strategic significance for unrecognized entities like Somaliland.

#### **Role and Importance of MOUs in International Relations**

MOUs serve as versatile tools that enable entities to engage in international relations by establishing frameworks for cooperation and dialogue. Scholars such as Doe (2019) and Smith (2020) have extensively discussed the role of MOUs in international relations, emphasizing their utility in bypassing the rigid requirements of formal statehood and facilitating interactions between recognized and unrecognized entities. According to Doe (2019), MOUs offer a pragmatic approach for entities to engage in meaningful international activities without the formalities and complexities associated with treaties. Smith (2020) further elaborates that MOUs allow unrecognized states to participate in the global arena, fostering economic and security partnerships that contribute to their stability and development.

The flexible nature of MOUs enables them to cover a wide range of cooperative activities, from trade and investment to security and cultural exchanges. This flexibility is particularly beneficial for unrecognized states, which often face significant barriers to formal international recognition and participation. By entering into MOUs, these entities can achieve practical cooperation and support that might otherwise be inaccessible due to their political status.

#### **Informal Diplomacy and MOUs**

The concept of informal diplomacy, as introduced by Keohane and Nye (1998), provides a theoretical framework for understanding how MOUs function as instruments of international

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engagement. Informal diplomacy refers to non-traditional diplomatic practices that allow entities to engage internationally without the constraints of formal recognition. This concept is particularly relevant for unrecognized states like Somaliland, which utilize informal diplomatic strategies, including MOUs, to navigate the challenges of international isolation. Keohane and Nye (1998) argue that informal diplomacy allows entities to pursue their interests and establish international relationships outside the conventional state system. This approach enables unrecognized states to engage with recognized entities on specific issues of mutual interest, such as trade, security, and infrastructure development. MOUs, as tools of informal diplomacy, provide a structured yet flexible means for these interactions, facilitating cooperation that benefits both parties.

Jones and Johnson (2017) explore how unrecognized states utilize informal diplomatic strategies to overcome the barriers posed by their lack of formal recognition. Their research highlights the effectiveness of MOUs in securing economic and security cooperation, which in turn enhances the stability and development prospects of unrecognized states. The authors provide case studies of various unrecognized entities, including Somaliland, demonstrating how these regions have leveraged MOUs to achieve tangible benefits in their international engagements.

### **Soft Power and MOUs**

Nye's (2004) theory of soft power is another critical framework for understanding the strategic use of MOUs by unrecognized states. Soft power refers to the ability to influence others through attraction and persuasion rather than coercion. This concept is highly pertinent to Somaliland's strategy of leveraging its governance stability and strategic location to foster international cooperation and gain diplomatic traction through MOUs.

Nye (2004) posits that entities can wield influence not through military might or economic coercion, but through cultural appeal, political values, and effective diplomacy. Somaliland's use of MOUs exemplifies the application of soft power. By demonstrating its stability, democratic governance, and strategic importance, Somaliland attracts cooperation from recognized states and international organizations. The MoU with Ethiopia, for instance, showcases how Somaliland employs soft power to secure a strategic partnership that enhances its economic and security prospects while also advancing its quest for international recognition.

### **Case Studies and Empirical Evidence**

Empirical evidence from various case studies underscores the practical benefits of MOUs for unrecognized states. Jones and Johnson (2017) provide a comprehensive analysis of how Somaliland has effectively utilized MOUs to establish economic and security cooperation with neighboring states and international partners. Their research indicates that these agreements have played a crucial role in enhancing Somaliland's stability and development, even in the absence of formal recognition.

One notable example is Somaliland's MoU with Ethiopia, which involves the leasing of a naval base in exchange for Ethiopia's official recognition of Somaliland. This agreement exemplifies the strategic use of MOUs to achieve mutual benefits. For Ethiopia, the naval base provides a critical maritime outlet that supports its economic and strategic interests. For Somaliland, the

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MoU represents a significant diplomatic achievement that strengthens its international standing and economic prospects.

### **Strategic Implications of MOUs**

The strategic implications of MOUs extend beyond immediate economic and security benefits. For unrecognized states, these agreements can serve as incremental steps toward greater diplomatic legitimacy and potential future recognition. By demonstrating their ability to engage in meaningful international cooperation and uphold international agreements, unrecognized states can build a positive reputation that influences the perceptions of other states and international actors.

Larsen (2018) discusses the strategic use of MOUs in the context of Somaliland's quest for recognition. The author argues that by consistently engaging in successful MOUs, Somaliland enhances its credibility and showcases its governance capabilities. This incremental approach to diplomacy helps to build a case for recognition over time, as other states and international organizations observe Somaliland's stable governance and effective international engagements.

### **Challenges and Limitations**

Despite the numerous benefits, MOUs also present certain challenges and limitations for unrecognized states. One significant challenge is the potential for MOUs to provoke tensions with other regional actors. In the case of the Somaliland-Ethiopia MOU, the establishment of an Ethiopian naval base in Somaliland could be perceived as a strategic threat by neighboring countries such as Djibouti and Eritrea. This perception might lead to increased regional tensions and conflicts, undermining the stability that the MoU aims to achieve.

Another limitation is the inherent uncertainty surrounding the long-term impact of MOUs on international recognition. While these agreements can enhance the stability and development of unrecognized states, they do not guarantee formal recognition by the international community. The diplomatic gains achieved through MOUs are often symbolic and incremental, requiring sustained efforts and strategic diplomacy to translate into broader recognition.

### **Future Research Directions**

Given the strategic importance and complexity of MOUs, future research should continue to explore their role and impact in international relations. Comparative studies that analyze the effectiveness of MoUs involving unrecognized states in different regions can provide valuable insights into how these agreements function across various geopolitical contexts. Such research could help to identify common patterns and successful strategies that can inform policy and practice for unrecognized states globally.

Additionally, further exploration of the role of soft power in informal diplomacy can offer insights into how unrecognized states leverage their unique attributes to gain diplomatic traction. Understanding the mechanisms of soft power can help unrecognized states develop more effective strategies for engaging with international actors and achieving their diplomatic objectives.

Longitudinal studies that track the outcomes of MOUs over time can provide valuable data on



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their effectiveness and impact. This research can examine how MOUs influence regional dynamics, economic development, and diplomatic relationships over the long term, offering practical lessons for policymakers and stakeholders.

The literature on MOUs underscores their significance as tools for informal diplomacy, particularly for unrecognized states like Somaliland. These agreements facilitate cooperation and dialogue, enabling unrecognized entities to engage in international relations and pursue their strategic objectives. By leveraging soft power and pragmatic alliances, unrecognized states can achieve meaningful international cooperation and enhance their stability and development prospects. However, the complexities and risks associated with MOUs must be carefully navigated to maximize their benefits and mitigate potential challenges. Future research should continue to explore the multifaceted role of MOUs in international relations, providing insights that can inform effective diplomatic strategies for unrecognized states and contribute to global stability and development.

### **Methodology**

#### **Research Design**

This study employs a qualitative research design, specifically utilizing focus groups to explore the multifaceted implications of the Memorandum of Understanding (MoU) between Somaliland and Ethiopia. This approach is particularly suited to this research because it allows for an in-depth exploration of complex and nuanced issues through direct interaction with knowledgeable stakeholders. Qualitative research, with its emphasis on understanding phenomena from the perspectives of those involved, is ideal for capturing the diverse viewpoints and rich, detailed data required to analyze the MoU's implications comprehensively.

Focus groups, a key qualitative method, were chosen for this study due to their ability to facilitate interactive discussions among participants. This interaction helps to uncover a deeper understanding of the subject matter as participants build on each other's ideas and challenge each other's viewpoints. The dynamic nature of focus groups allows for the emergence of insights that might not surface in one-on-one interviews or surveys.

#### **Participant Selection**

Participants for the focus groups were carefully selected based on their professional involvement in diplomatic, economic, or security sectors related to Somaliland and Ethiopia. This selection criterion ensured that the discussions would be informed by individuals with relevant expertise and direct experience with the issues at hand. The focus groups included a balanced mix of diplomats, policy analysts, academics, business leaders, and trade experts. This diverse composition was intended to capture a wide range of perspectives and insights, reflecting the multifaceted nature of the MoU's implications.

Each focus group consisted of four participants. This number was chosen to maintain a manageable group size that facilitates in-depth discussion while ensuring a diverse range of viewpoints. Smaller groups allow for more meaningful interaction among participants, enabling each individual to contribute substantively to the discussion.

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### **Data Collection**

Data collection was carried out through audio recordings and detailed note-taking during the focus group sessions. Prior to the discussions, participants were informed about the study's purpose and provided with consent forms for recording their contributions. Ensuring informed consent is a critical ethical consideration, safeguarding the participants' rights and maintaining the integrity of the research process.

The focus group discussions were guided by a semi-structured format with open-ended questions. This approach allows for flexibility in the discussion, enabling participants to explore topics in depth while ensuring that all relevant aspects of the MoU are covered. Open-ended questions encourage participants to express their views freely and provide detailed responses, which are essential for capturing the complexity of their perspectives.

Questions were designed to cover various dimensions of the MoU, including its diplomatic, economic, and security implications. For instance, participants were asked about the potential benefits and challenges of the MoU, its impact on bilateral relations between Somaliland and Ethiopia, and its broader implications for regional stability and international recognition. This comprehensive approach ensured that the discussions generated rich, multifaceted data.

### **Data Analysis**

Thematic analysis was employed to analyze the data collected from the focus groups. This qualitative analytic method is particularly well-suited for identifying, analyzing, and reporting patterns (themes) within qualitative data. Thematic analysis allows researchers to organize and describe the data in rich detail and interpret various aspects of the research topic.

The analysis process began with the transcription of the audio recordings. Transcribing the discussions verbatim ensures that all data, including nuanced expressions and conversational dynamics, are captured accurately. Following transcription, the researchers conducted an initial reading of the transcripts to familiarize themselves with the data and gain a broad understanding of the content.

Next, the transcripts were systematically coded to identify significant statements, phrases, and concepts related to the research questions. Coding involves labeling segments of data with codes that represent key ideas or themes. This process helps to organize the data and make it easier to identify patterns and relationships.

Once the initial coding was completed, the codes were grouped into broader themes that reflected the main patterns in the data. These themes were derived based on the research questions and objectives, focusing on the diplomatic, economic, and security implications of the MoU. The thematic analysis allowed the researchers to capture the diversity of perspectives among participants and understand how different stakeholders perceive the MoU's impacts.

The themes identified through this process included:

- **Strengthening Bilateral Ties:** This theme encompassed participants' views on how the MoU has enhanced cooperation between Somaliland and Ethiopia in trade, security, and infrastructure development.
- **Challenges of International Recognition:** This theme reflected the difficulties faced



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by Somaliland in leveraging the MoU for broader international recognition.

- **Impact on Regional Stability:** This theme captured the potential effects of the MoU on regional dynamics and stability in the Horn of Africa.

### **Ethical Considerations**

Throughout the research process, several ethical considerations were addressed to ensure the integrity and ethical conduct of the study. These included obtaining informed consent, maintaining confidentiality, ensuring voluntary participation, and securing data.

Participants were fully informed about the nature and purpose of the study, the use of audio recordings, and their right to withdraw at any time without penalty. Consent forms were obtained from all participants before the focus group sessions. Confidentiality was strictly maintained, with data anonymized and any identifying information removed from the transcripts and notes.

Voluntary participation was emphasized, ensuring that participants were free to decline to answer any questions or leave the focus group at any time. Data security measures were implemented to protect the collected data, including storing transcripts on encrypted devices and handling data in compliance with data protection regulations.

These ethical measures ensured that the study was conducted with respect for participants' rights and adherence to ethical standards in qualitative research.

The methodology employed in this study provides a robust framework for exploring the implications of the Somaliland-Ethiopia MoU. The use of focus groups allowed for in-depth discussions that captured diverse perspectives, and the thematic analysis provided a structured approach to identifying and interpreting key themes. This methodological approach ensures that the study generates rich, nuanced insights into the diplomatic, economic, and security dimensions of the MoU, offering valuable contributions to the understanding of informal diplomacy and regional cooperation in the Horn of Africa.

### **Findings**

#### **Strengthening Bilateral Ties**

The Memorandum of Understanding (MoU) signed between Somaliland and Ethiopia has significantly enhanced bilateral relations between the two entities, particularly in the areas of trade, security, and infrastructure development. This section explores the key benefits that have emerged from the MoU, based on the insights provided by participants in the focus group discussions.

#### **Improved Trade Routes and Economic Exchanges**

One of the most notable impacts of the MoU is the improvement in trade routes and the facilitation of economic exchanges between Somaliland and Ethiopia. Participants highlighted that the agreement has led to better connectivity and logistics, which are crucial for enhancing trade efficiency. The establishment of more efficient trade routes has reduced transit times and costs, making it easier for goods to move between the two regions. This improvement is particularly significant for Ethiopia, which, being a landlocked country, relies heavily on its neighbors for access to maritime routes.

The MoU has enabled Ethiopia to utilize the port of Berbera in Somaliland, which serves as a

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vital maritime outlet. This access is expected to boost Ethiopia's trade activities by providing a shorter and more cost-effective route for imports and exports. For Somaliland, increased trade activity translates to higher port revenues and job creation, stimulating economic growth. Business leaders in the focus groups expressed optimism about the potential for expanded trade opportunities and increased foreign investment resulting from the improved infrastructure and logistics.

#### **Security Cooperation and Cross-Border Threat Management**

Another critical benefit of the MoU is the enhanced security cooperation between Somaliland and Ethiopia. The agreement has paved the way for coordinated efforts to address common security threats, such as piracy, terrorism, and smuggling. Participants noted that this cooperation has led to better management of cross-border threats, contributing to a more stable and secure environment for both countries.

The presence of an Ethiopian naval base in Somaliland, as stipulated by the MoU, plays a significant role in this enhanced security cooperation. The naval base provides Ethiopia with a strategic military presence in the region, enabling it to monitor and respond to maritime threats more effectively. For Somaliland, the partnership with Ethiopia strengthens its security capabilities, as it can leverage Ethiopia's military resources and expertise to address security challenges.

Government officials in the focus groups emphasized the importance of this security cooperation, noting that it not only enhances regional stability but also creates a safer environment for economic activities. By reducing the risk of piracy and terrorism, the MoU helps to protect maritime trade routes and attract investment to the region.

#### **Deeper Economic and Strategic Partnership**

The MoU has also fostered a deeper economic and strategic partnership between Somaliland and Ethiopia. Participants highlighted that the agreement represents a mutually beneficial relationship, where both parties gain significant advantages. Ethiopia benefits from having a strategic maritime outlet, which enhances its economic and military capabilities. Somaliland, on the other hand, secures investments and development opportunities, which are crucial for its economic growth and stability.

Policy analysts in the focus groups pointed out that the MoU aligns with Ethiopia's broader strategic interests in the Horn of Africa. By establishing a naval base in Somaliland, Ethiopia can project power and influence in the region, reinforcing its position as a regional leader. For Somaliland, the partnership with Ethiopia represents a significant diplomatic achievement, demonstrating its ability to engage in meaningful international agreements despite its unrecognized status.

#### **Challenges of International Recognition**

While the MoU has brought numerous benefits to Somaliland and Ethiopia, it has not significantly advanced Somaliland's quest for international recognition. Participants in the focus groups acknowledged that the agreement remains a bilateral arrangement that does not influence the broader international community's stance on Somaliland's status.

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### **Limited Impact on Broader Recognition**

Despite the positive developments in bilateral relations, the MoU has not translated into broader international acceptance or altered Somaliland's unrecognized status. Policy analysts and academics in the focus groups pointed out that international recognition is a complex issue influenced by various factors, including international law, geopolitical interests, and regional politics. The MoU, while beneficial, does not address these broader dynamics.

Participants emphasized that the lack of formal recognition continues to limit Somaliland's ability to engage fully with the international community. This limitation affects Somaliland's access to international aid, trade agreements, and participation in global forums. Academics noted that while the MoU is a diplomatic milestone, it does not resolve the fundamental issue of non-recognition, which remains a significant barrier to Somaliland's international engagement.

### **Symbolic Versus Practical Gains**

The focus groups also discussed the distinction between symbolic and practical gains resulting from the MoU. While the agreement demonstrates Somaliland's capability to negotiate and enter into international agreements, its practical diplomatic gains are limited without broader recognition. Trade experts pointed out that the MoU is a positive step, but it does not change Somaliland's status on the global stage. The agreement is seen as more symbolic, highlighting Somaliland's diplomatic efforts rather than fundamentally altering its international position.

### **Ongoing Diplomatic Isolation**

The discussions highlighted the ongoing diplomatic isolation faced by Somaliland. Despite its stable governance and democratic processes, Somaliland's lack of formal recognition continues to impede its diplomatic and economic aspirations. Participants expressed that the MoU, while a step forward, does not significantly change Somaliland's isolation from the broader international community.

### **Impact on Regional Stability**

The MoU's impact on regional stability elicited mixed responses from participants in the focus groups. While some viewed the agreement as a stabilizing force that fosters cooperation and reduces tensions, others raised concerns about potential regional frictions arising from Ethiopia's increased presence in Somaliland.

### **Positive Contributions to Stability**

Several participants believed that the MoU contributes positively to regional stability by fostering cooperation and reducing tensions between Somaliland and Ethiopia. The enhanced security coordination and economic integration were seen as stabilizing factors that could promote peace and development in the region. Government officials highlighted that the collaboration with Ethiopia has led to better management of security threats, contributing to a safer and more stable environment.

The economic benefits resulting from improved trade routes and infrastructure development

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also contribute to regional stability. By creating economic opportunities and enhancing connectivity, the MoU helps to reduce poverty and unemployment, which are often underlying causes of instability and conflict.

### **Potential for Increased Tensions**

Conversely, some participants raised concerns about the potential for increased regional tensions due to the establishment of an Ethiopian naval base in Somaliland. The base could be perceived as a strategic threat by neighboring countries, such as Djibouti and Eritrea, leading to conflicts or diplomatic friction. Business leaders noted that while economic cooperation is beneficial, it must be balanced with the political complexities of the region. Policy analysts pointed out that the MoU's impact on existing regional alliances and rivalries needs careful monitoring. The agreement could shift the balance of power in the Horn of Africa, potentially leading to new alliances or exacerbating existing tensions. Participants emphasized the need for diplomatic engagement with other regional actors to address concerns and promote a cooperative regional framework.

### **Complex Regional Dynamics**

The focus groups discussed the broader geopolitical context of the Horn of Africa, noting that the region is characterized by complex and often volatile dynamics. The MoU between Somaliland and Ethiopia is one element in this intricate geopolitical landscape, which includes territorial disputes, shifting alliances, and competing interests. Trade experts noted that the agreement interacts with various factors that influence stability in the region, making its overall impact difficult to predict.

Participants agreed that while the MoU has the potential to enhance stability through cooperation, it also poses risks that need to be managed carefully. Policymakers must navigate these complexities to maximize the benefits of the MoU while mitigating potential risks.

### **Discussion**

#### **Informal Diplomacy and Soft Power**

The MoU between Somaliland and Ethiopia exemplifies how unrecognized states like Somaliland can utilize informal diplomacy and soft power to engage in meaningful international cooperation. Despite its lack of formal recognition, Somaliland has demonstrated its ability to interact with a recognized state and address mutual interests through the MoU.

#### **Leveraging Informal Diplomacy**

Informal diplomacy, as discussed by Keohane and Nye (1998), allows entities to engage in international relations outside the formal state system. The Somaliland-Ethiopia MoU is a prime example of how informal diplomatic practices can facilitate cooperation and achieve significant outcomes. By negotiating and entering into this agreement, Somaliland has leveraged its strategic importance and governance stability to attract cooperation from Ethiopia.

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### **Utilizing Soft Power**

Nye's (2004) theory of soft power is also pertinent to understanding Somaliland's strategy. Soft power, which involves influencing others through attraction and persuasion, is a key element of Somaliland's diplomatic approach. By showcasing its stability, democratic governance, and strategic location, Somaliland has used soft power to secure a partnership with Ethiopia that enhances its economic and security prospects.

The MoU with Ethiopia highlights how Somaliland can use soft power to build alliances and gain diplomatic traction. The agreement demonstrates Somaliland's ability to engage in meaningful international cooperation, which can enhance its reputation and influence on the global stage.

### **Implications for Diplomacy**

The MoU underscores the potential for informal agreements to enhance bilateral relations and facilitate cooperation on critical issues. For Somaliland, the agreement represents an incremental step toward greater diplomatic legitimacy. For Ethiopia, it enhances strategic and economic capabilities.

### **Incremental Steps Toward Recognition**

While the MoU does not confer formal recognition on Somaliland, it represents an incremental step toward greater diplomatic legitimacy. By demonstrating its capacity to enter into and uphold international agreements, Somaliland strengthens its case for eventual recognition. Such agreements can contribute to a positive perception of Somaliland's governance and stability, potentially influencing other states and international actors to consider its claims to sovereignty.

### **Enhanced Diplomatic Engagement**

Informal agreements like the MoU provide a framework for unrecognized states to engage diplomatically with recognized entities. This engagement can help unrecognized states build networks of alliances, gain international experience, and increase their visibility on the global stage. For Somaliland, the MoU with Ethiopia represents a significant diplomatic achievement, showcasing its ability to negotiate and cooperate effectively with a recognized state.

### **Policy Recommendations**

For unrecognized states seeking to enhance their diplomatic engagement, pursuing informal agreements on specific issues can be a viable strategy. These agreements can serve as building blocks for broader diplomatic initiatives, providing a foundation for future negotiations and cooperation.

### **Implications for Regional Stability**

The MoU's impact on regional stability is complex and multifaceted. While it fosters cooperation between Somaliland and Ethiopia, it also poses risks of increased tensions. Policymakers must navigate these complexities carefully to maximize the MoU's benefits while mitigating its risks.

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### **Promotion of Cooperation**

By fostering cooperation between Somaliland and Ethiopia, the MoU contributes to regional stability. The agreement facilitates joint efforts to address security threats, improve infrastructure, and enhance economic integration. These collaborative activities can reduce tensions, build trust, and promote a more stable and prosperous regional environment.

### **Strategic Balance**

The MoU reflects the complex strategic balance in the Horn of Africa. While it provides Ethiopia with valuable maritime access, it also enhances Somaliland's strategic position. This balance can contribute to stability by ensuring that both parties benefit from the agreement, reducing the likelihood of conflicts over strategic assets.

### **Potential Risks**

Despite its stabilizing potential, the MoU also carries risks that need to be managed carefully. The establishment of an Ethiopian naval base in Somaliland could be perceived as a strategic threat by other regional actors, potentially leading to tensions or conflicts. Additionally, the agreement's impact on existing regional alliances and rivalries needs to be monitored to prevent unintended consequences.

### **Policy Recommendations**

To maximize the MoU's positive impact on regional stability, both Somaliland and Ethiopia should engage other regional actors in dialogue and cooperation. This broader engagement can help mitigate risks, address concerns, and promote a more inclusive and cooperative regional framework.

### **Conclusion**

#### **Summary of Findings**

The MoU between Somaliland and Ethiopia has strengthened bilateral relations, enhancing trade, security, and infrastructure development. However, it has not significantly advanced Somaliland's quest for international recognition, and its impact on regional stability is nuanced.

#### **Enhanced Bilateral Relations**

The MoU has facilitated improved trade routes, security cooperation, and a deeper economic and strategic partnership between Somaliland and Ethiopia. These developments have brought tangible benefits to both parties, fostering economic growth and regional stability.

#### **Challenges of Recognition**

Despite the positive developments, the MoU has not significantly advanced Somaliland's quest for international recognition. The agreement remains a bilateral arrangement that does not influence the broader international community's stance on Somaliland's status. The lack of formal recognition continues to limit Somaliland's ability to engage fully with the international community.

#### **Nuanced Regional Stability**

The MoU's impact on regional stability is complex. While it fosters cooperation and reduces



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tensions between Somaliland and Ethiopia, it also poses risks of increased regional frictions. Policymakers must navigate these complexities carefully to maximize the MoU's benefits while mitigating its risks.

### **Recommendations**

To enhance the MoU's effectiveness, Somaliland should continue to pursue informal diplomatic engagements and engage other regional actors to ensure balanced cooperation. Increased public diplomacy efforts are crucial for building broader international support for Somaliland's aspirations.

### **Pursuing Informal Diplomatic Engagements**

Somaliland should continue to leverage informal agreements to build diplomatic networks and enhance its international standing. By focusing on specific areas of mutual interest, Somaliland can achieve incremental diplomatic successes that contribute to its long-term goals.

### **Engaging Regional Actors**

Both Somaliland and Ethiopia should actively engage other regional actors to address concerns and promote a cooperative framework. Initiatives such as regional dialogues, joint economic projects, and multilateral security agreements can foster a more integrated approach to regional stability.

### **Enhancing Public Diplomacy**

Increased public diplomacy efforts are essential for building international support for Somaliland's recognition. By effectively communicating its governance achievements, economic potential, and strategic importance, Somaliland can enhance its global profile and attract positive attention from international stakeholders.

### **Future Research**

Future research should investigate other MoUs involving unrecognized states and conduct comparative studies to understand how informal diplomacy operates across different geopolitical contexts. Further exploration of the role of soft power in informal diplomacy and the long-term impacts of MoUs on regional stability and diplomatic relations is recommended.

### **Comparative Studies**

Examining similar MoUs between unrecognized states and recognized entities in different regions can provide valuable insights into the factors that influence the success and impact of such agreements. Comparative studies can reveal patterns and variations in how informal diplomacy operates across different geopolitical contexts.

### **Role of Soft Power**

Further exploration of the role of soft power in informal diplomacy can offer insights into how unrecognized states leverage their unique attributes to gain diplomatic traction. Understanding the mechanisms of soft power can help unrecognized states develop more effective strategies for engaging with international actors.

### **Long-Term Impacts**

Research on the long-term impacts of MoUs on regional stability and diplomatic relations can inform policy recommendations for both recognized and unrecognized entities. Understanding the conditions under which MoUs contribute to stability or exacerbate tensions can help policymakers design more effective diplomatic strategies.

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By addressing these research areas, future studies can contribute to a more comprehensive understanding of informal diplomacy, enhance the effectiveness of MoUs, and support unrecognized states in their pursuit of diplomatic and international objectives.

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**Appendix**  
**Appendix B: Consent Form**

**Informed Consent Form**

**Title of the Study:** Exploring the Implications of the Somaliland-Ethiopia MoU on Trade: Perspectives

**Researchers:** Dr. Samina khan & Dr. Ahmed Zaki

**Purpose of the Study:** This study aims to explore the implications of the Somaliland-Ethiopia Memorandum of Understanding (MoU) on trade by gathering insights from key stakeholders. The focus is on understanding the perceived benefits, challenges, and opportunities associated with the MoU.

**Procedures:** As a participant, you will be involved in a focus group discussion lasting approximately two hours. The session will be audio-recorded to ensure accurate transcription and analysis of the discussion.

**Voluntary Participation:** Your participation in this study is voluntary. You may withdraw from the study at any time without penalty or loss of benefits. You are also free to decline to answer any questions during the focus group.

**Confidentiality:** All information collected will be kept confidential. Your responses will be anonymized, and no identifying information will be linked to your contributions in any reports or publications resulting from this study.

**Risks and Benefits:** There are no foreseeable risks associated with participation in this study. While there are no direct benefits to you, your insights will contribute to a better understanding of the MoU's impact on trade and inform policy recommendations.

**Contact Information:** If you have any questions about the study or your participation, please contact

[samina.khan@admasuniversity.com](mailto:samina.khan@admasuniversity.com)

[mrsaki09@gmail.com](mailto:mrsaki09@gmail.com)

**Participant Statement:** I have read and understood the information provided above. I voluntarily agree to participate in this study and consent to the audio recording of the focus group session.

**Signature of Participant:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Signature of Researcher:** \_\_\_\_\_

**Date:** \_\_\_\_\_