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The Deniability Tax

Ethiopia's Diplomatic Break with Asmara and the Rising Cost of Intervention

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The Deniability Tax

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On 1 October, Ethiopia closed its embassy in Asmara and declared ten Eritrean diplomats persona non grata, giving them 48 hours to leave. Eritrea subsequently announced that it was severing diplomatic ties.[1] The immediate interpretation is that relations between the two neighbours have entered a more serious phase. The available record supports a more specific reading: Ethiopia has chosen a diplomatic instrument to respond to what its government describes as direct and indirect Eritrean intervention, rather than an immediate military response. The measure also raises a broader strategic question concerning the costs of external intervention when attribution becomes increasingly contested and politically consequential. IFA refers to this dynamic as the "deniability tax."

How Deniability Works

Ethiopia's government describes Eritrean conduct as both direct and indirect. Where intervention is direct, the question is one of observable facts and state responsibility. Where it runs through non-state actors, deniability can lower the diplomatic cost of indirect pressure. That advantage becomes less sustainable when allegations of external involvement generate documentary, political or diplomatic consequences. The key analytical issue is therefore not simply whether external support is alleged, but whether attribution can be supported by evidence that regional and international actors can independently assess.

IFA's earlier analysis anticipated a regional preference in some circumstances for indirect engagement and covert support over direct military intervention.[2] Analysis in February 2026 examined how external actors can provide transit, logistics and coordination while seeking to avoid formal attribution.[3] In August 2026, IFA stressed that such arrangements may reflect converging interests rather than a unified structure, and that local actors, including the TPLF, retain their own political objectives.[4]

That distinction remains important. The groups involved in the northern political and security environment have distinct interests, grievances and objectives, which should be treated as political questions in their own right. At the same time, public statements concerning wider political and military coordination have complicated efforts to distinguish domestic political dynamics from external regional interests.[5]

The pattern also has a documented history. The UN Security Council imposed an arms embargo and targeted sanctions on Eritrea in December 2009 under Resolution 1907, citing findings of support to armed groups in Somalia, and expanded them in December 2011 under Resolution 2023 after the UN Monitoring Group reported on an alleged plot against the African Union summit in Addis Ababa. The Council lifted all measures in November 2018 as relations improved.[6] Eritrea has rejected such allegations. IFA's earlier policy brief draws a careful lesson: normalisation on one bilateral track has not reliably predicted restraint on another.[7]

Shift Toward Wider Strategic Coordination

The dynamics shifted in late September. On 20 September, seven armed groups announced an alliance with the stated aim of replacing the federal government with a transitional administration.[8] Three days later, TPLF-led forces seized control of the airports at Mekelle, Axum and Shire, actions the African Union Commission described as inconsistent with the Pretoria Agreement. The Commission also urged neighbouring states to avoid steps that could deepen the conflict.[9]

IFA's earlier brief also points to linkage across theatres, describing Eritrea's alignment with the Sudanese Armed Forces and reported coordination with TPLF-linked remnants in eastern Sudan, which could join Sudan's war and northern Ethiopia into one arena. Much of that reporting is contested and Eritrea has not confirmed it, so IFA treats it as an indicator requiring verification, not a settled finding. The same brief stresses that Eritrean conduct is one significant driver of Horn instability, not its sole cause.[10]

The Ethiopian government attributes to Eritrea both direct intervention, including the presence of Eritrean forces on Ethiopian territory, and indirect support to armed groups. Eritrea has consistently rejected the allegations.[11] IFA records both positions; the analytical question is therefore one of attribution, evidence and independently assessable indicators.

Ethiopia's Ministry of Foreign Affairs linked its decision to what it described as Eritrea's direct and indirect acts of hostility and belligerence, as well as activities it said posed a direct threat to national security.[12] The measures fall within established diplomatic practice: the Vienna Convention on Diplomatic Relations permits a receiving state to declare a diplomat persona non grata without being required to state reasons and addresses the consequences of a severance of diplomatic relations.[13] By acting through established diplomatic channels, Ethiopia has marked a serious deterioration in state-to-state relations while continuing to frame its position around national security, sovereignty, peaceful settlement and regional stability.

Ethiopia's Strategic Response: Recalibrating the Cost

Ethiopia's response can be understood across three layers.

Formal attribution. Linking the diplomatic measures publicly to national-security concerns creates a clear official record that regional and international institutions can examine.

Strategic restraint. Ethiopia has not moved against Eritrea itself, even though its government alleges direct intervention, and its response to Asmara has remained within diplomatic channels. Such restraint can help maintain escalation control, preserve policy options and avoid converting a regional security dispute into an open interstate confrontation.

Multilateral engagement. The African Union remains a central channel for dialogue, and former Nigerian President Olusegun Obasanjo has been asked to engage the parties.[14] Contact with regional partners has also continued: Somalia's President visited Addis Ababa on 29 September,[15] while the Prime Minister was in Kenya the following day for the groundbreaking of a major refinery project, part of wider efforts to expand Ethiopia's trade and connectivity options.[16] On 22 September, Ethiopia and the United States also agreed to build on their structured dialogue.[17] Taken together, these developments indicate continued attention to regional integration, economic continuity and diplomatic engagement alongside the security challenge.

Strategic Priorities Moving Forward

Ethiopia's strategic interests include a stable northern and eastern frontier, reliable access to international trade routes, and an enabling regional environment for the government's development agenda. To support these objectives, IFA highlights four priorities.

1. **Document and present facts.** Assemble a documented, verified record concerning alleged direct intervention and cross-border support to armed actors and present relevant material to the African Union Peace and Security Council and, where appropriate, the United Nations, in a form that permits independent assessment. An independent Horn-wide monitoring mechanism, modelled on the former UN Monitoring Group on Somalia and Eritrea but covering Sudan and northern Ethiopia, would ensure findings do not rest on any single government. Without evidence that can withstand scrutiny, attribution remains contested.
2. **Protect key economic corridors.** Maintain robust protection of vital trade routes, particularly the Djibouti logistics corridor, where insecurity has affected areas along the route,[18] to safeguard economic continuity.
3. **Leverage the Pretoria framework.** Reaffirm political pathways within the Pretoria framework for armed actors willing to lay down their arms, while keeping humanitarian access and civilian protection central. External partners can reinforce this by conditioning engagement with armed factions on de-escalation, while supporting a unified and accountable political track within Ethiopia's constitutional processes.
4. **Define de-escalation parameters.** Establish clear conditions for restoring formal diplomatic representation, centred on a verifiable reduction or cessation of activities that Ethiopia identifies as threatening its national security, with appropriate regional mechanisms considered for verification. The question of Ethiopia's maritime access should travel on its own track, through structured, third-party-mediated talks separated from the Tigray and Sudan files, so that no party has an incentive to use armed actors as bargaining chips.

External intervention, whether direct or indirect, becomes more difficult to sustain when its diplomatic and political costs rise. Through targeted diplomatic measures, Ethiopia has established a clear marker in its relations with Asmara. If its claims remain evidence-based, its restraint visible and its multilateral channels open, the "deniability tax" can function as an analytical measure of how external pressure changes when attribution carries increasingly consequential costs.

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ABOUT THIS PUBLICATION

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