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LOGISTICAL FLOWS, FRICTIONS, AND 'CONTACT ZONES'

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Amidst the Covid-19 global health crisis, one of the world's largest container ships, the Ever Given, ran aground in the Suez Canal, blocking the waterway for several days. The global economy was already suffering from the consequences of the pandemic, and it was estimated that the incident cost $400 million an hour, amounting to a staggering $9.6 billion per day. This exposed the vulnerability of global supply chains and raised serious questions surrounding the stability and resilience of the international trade system.

The Suez Canal is integral to the global economy and geopolitics. Approximately 12% of global trade passes through the Canal. In other words, as a recent *Bloomberg* article put it: "Consider every item within 10 feet of you right now. Shoes, furniture, toys, pens, phones, computers—if you live in Europe or North America, there's a very good chance they sailed through the Suez Canal." By connecting Asian suppliers to Western consumer markets, the Canal acts as an inevitable logistical chokepoint that allows shipping lines to avoid a detour around the Cape of Good Hope, as was the norm before its construction.

Given the Canal's strategic importance, it has historically been a flashpoint of geopolitical contestation. In 1956, the United States and the Soviet Union pressured the French and British Governments – whose empires were in steep decline – to abandon their attempts to secure the Canal by invading Gamal Abdel Nasser's Egypt. This crisis crystallized a transition as it became clear that the heyday of European colonialism was long gone, and a new epoch was taking shape: that of the Cold War.

After the neoliberal revolution and concomitant economic liberalization of the 1980s, passage points such as the Suez Canal were increasingly critical to the functioning of the global economy. Multinational corporations offshored production to East Asia to reduce costs and increase profits, which was only possible because of the logistics revolution. It brought with it new technologies – such as the container – whose standardized nature enabled the explosion of global trade. The expansion of logistics infrastructure made the deployment of global supply chains viable, which marked the advent of a deeply integrated global economy.

With the rise of US-China tensions in recent years, logistical chokepoints such as the Suez Canal are yet again central to geopolitical rivalry. The Suez Canal is much more than a narrow waterway upon which the global economy depends. It is the center of a larger area of circulation, which can be understood as a 'maritime highway' for shipping lines stretching from the Gulf of Aden to the Mediterranean Sea. Over the last decade, coordinated multilateral efforts aimed at neutralizing threats from Somali pirates underscored the Canal's importance and signaled a return to a high-stakes geopolitical rivalry that has since recast the geopolitical stakes in the region.

The region's strategic importance is especially visible in Djibouti, located at the Bab-el-Mandeb Strait, which joins the Gulf of Aden and the Red Sea. The US established a military facility in Djibouti – Camp Lemonnier – in 2002. China followed suit in 2016 when Djibouti became the site of its first military base on foreign soil. Djibouti hosts several other foreign military bases, including French, Italian, and Japanese facilities. As such, the state has become one of the Second Cold War's preeminent 'contact zones,' illustrating its spatial logic. Indeed, rather than competing to establish territorial blocs, the US and China operate in the same spaces and compete to control interwoven political, economic, and material networks.

While it is impossible to resurrect the Cold War-era containment strategy in a world reliant on global connections, competition to control networks can increase friction or obstruction. Anna Tsing writes that global connections are 'made, and muddled, in friction.' In fact, how friction is organized will be crucial in determining which great – and small – powers are the winners and losers of contemporary geopolitical rivalry. Therefore, the objective for all these actors is to organize supply chains in ways that reduce their exposure to friction while externalizing their costs on competitors and, in some instances, introducing friction into the supply chains upon which a competitor's economy depends. In this context, chokepoints such as the Suez Canal and the Bab-el-Mandeb Strait are central to contemporary geopolitical competition. Ensuring continued military presence in Djibouti discourages engagement from other countries.

While more minor actors are unable to exert significant influence over the organization of global supply chains, US-China tensions offer opportunities for hedging that had been drastically reduced at the end of the Cold War. Here as well, Djibouti serves as an excellent example as it manages to take advantage of interest among great and regional powers in controlling the Bab-el-Mandeb Strait – and thus the route that leads to the Suez Canal – by extracting rents in exchange for military presence, while simultaneously securing the legitimacy of the current regime. Meanwhile, China's massive investments in Egypt in general and the Suez Canal in particular as part of the Belt and Road Initiative (BRI) reveal the importance of a waterway crucial for its exports, all while providing Egypt with the means to build its controversial new capital.

While it is impossible to predict what effects growing geopolitical tensions may have on the Suez Canal, Djibouti, and the region as a whole, it is clear that it is a region of strategic importance that will likely remain one of the Second Cold War's primary contact zones for the foreseeable future.

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