Independent Eritrea Faces Challenges of Nationhood

by Ross Hammond & John Prendergast

Newly independent Eritrea is ready to enter the community of nations, but is the world ready for Eritrea? Fiercely committed to self-reliance and full of new ideas in domestic and foreign policy, Eritrea is already one of the most stable and cohesive societies on the African continent. Whether the assistance they receive from western nations will help or hinder this remarkable progress remains to be seen.

Situated on the Red Sea, Eritrea is slightly larger than the state of New York. More than three and a half million people live inside Eritrea, with another million Eritreans spread around the globe. After thirty years of war with successive Ethiopian governments, the 95,000 fighters of the Eritrean People's Liberation Front are now working as volunteers to rebuild their shattered country.

The overwhelming obsession in Eritrea is to move the country from dependency to self-reliance. Sub-Saharan Africa is already littered with structurally defective economies devastated by an over-reliance on foreign aid which has most often reflected external priorities rather than internal needs. With 75 percent of the population relying in some way on food aid, Eritrea is particularly vulnerable to dependency-perpetuating relationships with donor governments and aid organizations.

The policies of the Provisional Government of Eritrea have so far been designed to avoid the dependency trap. Self-reliance is the underlying philosophy. Building local capacity to cope with not just disasters but post-disaster development is the goal. Popular participation is the means to achieve that goal.

This is the intention, but the realities of post-war reconstruction will bring pressures on the Eritreans to compromise. One of the first tests will be to what extent foreign non-governmental organizations (NGOs) will be allowed to operate in Eritrea. So far, the provisional government has allowed only indigenous organizations to implement relief and development programs, building on the country's vast experience of innovative small-scale development programs and locally controlled relief distributions during the war. Foreign NGOs truly interested in building local capacity should respect this by directing support to local groups rather than trying to set up their own operations.

A second challenge facing an independent Eritrea will be how it handles what is now a structural food deficit. Annual exhortations for emergency food aid are an easy option but are not consistent with the government's penchant for self-reliance. Agriculture and pastoralism provide livelihoods for 80 percent of Eritrea's population. The key to food security lies in enhancing the productivity and asset base of farmers and herders.

Quite aware of these imperatives, the government is moving on a variety of fronts. "Oxen banks" have been established to increase the availability of oxen. Direct food handouts have been eschewed in favor of food-for-work programs. Grain markets and local production are being stimulated by cash for work, internal purchase, and subsidized food sales which fund development projects. Already, roads and irrigation systems are being built, water catchments improved, trees planted, and hillsides terraced, although the scale of these undertakings is seriously constrained by a lack of resources. Much of the work to date has been done voluntarily or in exchange for food.

Eritrea's government has already gotten a taste of a third challenge: economic conditionality. During the war, Eritreans rejected policy conditions on the assistance they received. Most of those who donated aid did so either to prevent starvation or out of solidarity with the Eritrean struggle for self-determination. Now that the war is over and Eritrea is an independent nation, aid givers will be much more demanding. Like it or not, Eritrea will find that most aid comes with strings attached.

One of the main conditions that the United States and other donors require is the blanket privatization of publicly held assets. Although the Eritrean government's goal is to give priority to the private sector, it rightly sees danger in such a sudden move, preferring selective privatization instead. For example, selling off some state-owned enterprises will entail massive layoffs, exacerbating already high levels of unemployment. And why would a government starved for funds want to sell those enterprises that are actually bringing in revenue?

Privatizing the agricultural sector will bring difficulties as well. Land-tenure patterns vary by region and include family-owned, community-owned, and state-owned land. Across-the-board privatization would be disruptive, greatly increasing rural-to-urban migration. The government also plans to develop a strategic grain reserve and to intervene in the grain market to keep prices stable. Both of these strategies are anathema to official lenders, especially the International Monetary Fund.

A fourth challenge facing Eritrea is preparing for post-referendum party politics. The government is firmly committed to a multi-party system, but parties based on religion or ethnicity will be banned. This has already led to charges of suppression of democratic rights and ethnic identities and could become a source of friction between Western donors and the government. But given the civil wars that continue to rage throughout the Horn of Africa, Eritrea can certainly be excused for fearing sectarian or tribal politics.

Foreign aid will certainly be required for the immense reconstruction and rehabilitation needs in Eritrea. But the country has its own ideas for creating a society with the capacity to manage its own problems. When assembling aid packages, donors should respect Eritrea's independent approach to self-reliant development. After thirty years of war, they have certainly earned the right to do things their way. ■

Ross Hammond is an analyst at the Development GAP (Group for Alternative Policy) in Washington, D.C.
John Prendergast is a Horn of Africa Policy Analyst at the Center of Concern, Washington, D.C.