

BTI 2016 | Eritrea Country Report

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This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2016. It covers the period from 1 February 2013 to 31 January 2015. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

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Key Indicators

Population	M	5.1	HDI	0.381	GDP p.c., PPP \$	1528.9
Pop. growth ¹	% p.a.	2.2	HDI rank of 187	182	Gini Index	-
Life expectancy	years	62.8	UN Education Index	0.228	Poverty ³	% -
Urban population	%	22.2	Gender inequality ²	-	Aid per capita \$	16.7

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | UNDP, Human Development Report 2014. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.10 a day at 2011 international prices.

Executive Summary

During the period under review, the Eritrean government made no significant change in its political and economic agenda, remaining a surveillance state committed to a command economy and an autocratic political system. The economy was under the control of the ruling People's Front for Democracy and Justice (PFDJ) party and the military. High-ranking military officers, most prominently General Tekle Kifle "Manjus," were involved in illegal activities, including goods smuggling and human trafficking of Eritreans seeking to leave the country. However, it seems that Manjus lost power during 2014 and had several of his personal staff arrested. Hundreds of Eritrean refugees were kidnapped from Sudanese refugee camps and sold to human traffickers by members of the Rashaida Tribe, who cooperated with corrupt Eritrean and Sudanese officials. The mutiny of January 2013 was identified as a "Muslim fundamentalist" attempt to overthrow the government by the ruling clique, most vocally by Presidential Adviser Yemane Gebreab. Accordingly, numerous Muslims, PFDJ top leaders, governors, military officers and ministers were arrested or "frozen," among them the PFDJ's head of organizational affairs, the governor of the Southern Region and the Minister of Energy and Mines. Other prominent Muslims, among them Minister of Information Ali Abdu, defected due to fear of persecution, which further cemented Tigrinya dominance within the political elite. This created a rift between the Muslim and Christian PFDJ cadres, which found its reflection in the population at large. These developments even had an influence on the opposition organizations in the diaspora. In 2014, a new forum was founded by Eritrean lowland Muslims, namely the Lowlanders League, which exacerbated the existing rifts and mutual mistrust among the opposition in exile.

The economy deteriorated further, and the chronic electricity blackouts, shortages of fuels and drinking water continued. The government did not use the revenues from gold and copper mining, which started in 2011 and 2013, respectively, (state revenues from the mining sector were estimated at about \$1 billion), to invest in the economy or to buy assets necessary to the functioning of the state-owned enterprises. Nor did it provide the population with basic imported consumer goods. Military officers continued to implement their own regulations in the

administrative regions under their control. The civilian administrative apparatus was powerless and civilian administrative employees had to adapt themselves to military directives to avoid imprisonment without charge.

Military and PFDJ leaders continued to run their own shops, which supply party members and high- and middle-ranking military officers and their relatives with consumption goods and scarce items at low prices. The import-export trade came totally under the control of a Mafia-like conglomerate of military and civilian PFDJ cadres. Newly appointed Minister of Trade and Industry Nasredin Bekit is administering these illegal trade activities across borders (Sudan, Yemen, Ethiopia), and the population suffers from high prices, while profits end up in the pockets of the corrupt individuals involved in illegal trade. Many consumer goods were available only in the black market, with prices 400% to 500% higher than normal market prices.

Politically, Eritrea remained a dictatorship in which public political participation was impossible, civil rights and freedom of expression and assembly were absent, and human rights were routinely violated. In 2014, President Afewerki declared that a commission had been established in order to draft a new constitution, thereby indirectly declaring the unimplemented 1997 constitution null and void. The unlimited-term national service requirement that forces large parts of the working-age population to perform very poorly paid labor for party and military enterprises remained in place. Males between 18 and at least 50 years and women until age 27 were forced to serve either in the army or the national service, and elderly citizens were called up for military training and were forced to carry arms and patrol their neighborhoods as “militia.” The government continued to exploit the sanctions imposed by the U.N. Security Council in 2009 and 2011 to call for a “resolute national rebuff” in order to raise money from the diaspora communities.

Government functions were executed by the president, who seemed to be in reasonable physical health during the period under review, and a small group of advisers. The ruling PFDJ is the only party allowed to exist. Together with the military, it holds a monopoly on the economic sphere. The party-owned Hdri Trust Fund controls all state enterprises with no external financial monitoring allowed. The mass exodus of tens of thousands of Eritreans seen in earlier periods accelerated dramatically, as the prolonged national service requirements made it impossible for the bulk of the population to found a family or to pursue a normal life. Throughout 2014, several thousand Eritreans crossed the borders to Ethiopia and Sudan every month; others crossed the Red Sea and became stranded in Yemen. State institutions and social services were further weakened by this process, as large numbers of professionals (teachers, doctors, engineers, etc.) were among the refugees. Arbitrary arrests and religious persecution continued.

There was absolutely no progress toward democratization, which has been ruled out by the president. The public was unable to communicate civic interests without the risk of being arrested. However, the elderly “neighborhood militias” proved to be increasingly unwilling to perform their task, and passive resistance forced the government to rescind calls for military training in early 2015. In the absence of free market mechanisms, the import-export trade remained in the firm grip of the ruling party’s elite, while the military operated large-scale contraband activities, selling goods at exorbitant black market prices. The city of Tessenei, bordering Sudan, developed into a

hub for the contraband trade of goods, which was organized by military officers and PFDJ cadres, including the new Minister of Trade and Industry. There is no public welfare system, and traditional social safety networks based on extended family structures have been continuously weakened by prolonged recruitment into the national service. Eritreans living in the diaspora usually support their families inside Eritrea financially, and many of them paid the 2% tax imposed on them by the government either voluntarily or by coercion, providing a stabilizing factor for the regime.

Malnutrition and poverty were widespread during the period under review; a potentially good harvest could not be reaped due to manpower shortages. The continuous use of charcoal for cooking purposes accelerated environmental degradation. Generally, Eritrea has continued to follow a destructive path, which runs counter to democratization and economic liberalization.

Foreign relations with all regional neighbors except for the Sudan remained poor, as were relations with the United States and Europe. The sanctions imposed on Eritrea by the United Nations in 2009 and in 2011 remained in place.

History and Characteristics of Transformation

Eritrea gained independence de facto in 1991 and de jure in 1993 after an independence struggle that lasted for 30 years (1961 – 1991). Since the early 1980s, the struggle had been dominated by the Eritrea People's Liberation Front (EPLF), which later formed the government of the independent state of Eritrea. When the EPLF succeeded in liberating Eritrean territory from Ethiopia in 1991 and held a referendum on independence in 1993, it refused from the start to reconcile with the opposition in exile, namely the various splinter groups of the Eritrean Liberation Front (ELF), which excluded substantial parts of the Eritrean population from the nation-building process. In addition, the EPLF/PFDJ refused to repatriate more than 600,000 Eritreans living in Sudanese refugee camps, most of them Muslims, whom it considered ELF supporters. Those who repatriated themselves were not allowed to settle in their regions of origin, but had to move to makeshift resettlement sites in the western lowlands, which created conflicts with the indigenous population. The land and settlement policy of the government runs contrary to the customary land ownership system, which led to the displacement of agropastoral communities. In 1994, the EPLF held its third and last organizational congress and changed its name to the PFDJ. The former secretary-general of the EPLF, Isaias Afewerki, has ruled the country since independence as president without ever having been confirmed in his office by popular vote. He managed to solidify his power base by his tough style of authoritarian rule with totalitarian tendencies, although his popularity has sharply declined due to continuous deterioration in the economic situation, gross human rights violations, forced military conscription of large parts of the population of productive age and the country's complete lack of civil liberties.

In recent years, relations with Western donor nations have been strained, as the government has shown a lack of transparency, has refused with very few exceptions to accept NGO activities in

the country, and has even rejected emergency aid, claiming to be self-reliant in food production (an assertion that is obviously not true). The Eritrean government terminated development cooperation with the European Union in 2011 without prior notice. There is currently no EU country strategy paper for Eritrea. Relations with the United States and all neighboring countries except Sudan remained tense. In December 2009, the U.N. Security Council imposed targeted sanctions on Eritrea because of its failure to enter into negotiations with Djibouti over the disputed border of the two countries and refusal to remove its troops from contested territories, as well as its presumed support of Al-Shabaab militias in Somalia. The sanctions were initiated by IGAD (Intergovernmental Authority on Development) and the African Union, but the Eritrean government asserted that they were the result of a U.S. conspiracy. The sanctions were tightened in 2011. Ethiopia did not cede territories awarded to Eritrea according to the 2002 Eritrea-Ethiopia Boundary Commission's (EEBC) decision, and the relations between the two countries remained tense. In 2014, armed Eritrean opposition groups based in Ethiopia conducted several insurgency operations inside Eritrean territory. Ethiopian Prime Minister Hailemariam Desalegn declared his readiness for negotiations but his offer was declined by the Eritrean president. The Eritrean government instrumentalized the U.N. sanctions, which it considered "illegal and unjust," proclaiming a "resolute national rebuff" and maintaining its extremely high level of military mobilization coupled with the use of national service recruits as an unpaid labor force for party and military-owned enterprises. Eritreans living in the diaspora were called upon to contribute large sums of cash as their contribution to the so-called rebuff. Nevertheless, the government accepted negotiations in its conflict with Djibouti under the mediation of Qatar in 2010. Eritrean troops were removed from the border area, but the Eritrean government has so far refused to release Djiboutian prisoners of war and negotiations have to date been unfruitful. In recent years, relations between Asmara and Qatar have cooled down significantly.

There were no internal political reforms during the period under review, and the constitution ratified in 1997 was not implemented. In 2014, President Afewerki declared the 1997 constitution null and void and indicated that a new constitution was to be drafted in due time. The small ruling elite composed of high-ranking PFDJ cadres and military officers continued to dominate political and economic affairs. The military was given a free hand to pursue all kinds of illegal activities including human trafficking, and has so far not posed a serious threat to the president. In January 2013, a group of middle-ranking officers attempted a coup and demanded the implementation of the 1997 constitution and the release of political prisoners. However, they surrendered and their leader committed suicide shortly thereafter. Leading PFDJ cadres, particularly Yemane Gebreab (head of the party's political affairs) and Yemane Gebremeskel (head of the President's Office) played an important role in political decision-making. Eritrea continued to be ranked last worldwide in Reporters Without Borders' assessment of press freedom for the eighth consecutive year.

Levels of state and military intervention in the economy have remained consistently high in recent years, while the private business sector continued to be severely restricted by import-export regulations and a lack of hard currency. The degree of political suppression remained

extraordinarily high and arbitrary arrests without due process of law continued. The political dissidents and journalists arrested in 2001 remained in detention, while hundreds of Christians and Muslims were arrested for alleged religious extremism without being formally accused or brought before a court of law. It was not possible to leave the country without an exit visa, which could only be obtained after having fulfilled one's "national duty" (i.e., being released from the national service). Nevertheless, the mass exodus of the young generation accelerated rapidly during 2014 as a result of the widespread frustration and disillusionment related to the unlimited scope of national service obligations, which have made it difficult for the majority of the population of productive age to feed their families. The UNHCR indicated a dramatic increase in the numbers of Eritreans who arrived in Ethiopian and Sudanese refugee camps. Total numbers of registered Eritrean refugees in both countries amounted to 216,000, with thousands of new arrivals each month. Human trafficking of Eritrean refugees continued with the involvement of Eritrean military officers, Sudanese officials and members of the Rashaida Tribe, which is infamous for kidnapping Eritreans in Sudanese refugee camps.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

Question
Score

The state's monopoly on the use of force remained in place countrywide. Militant opposition groups based in Ethiopia continued to exist, but only engaged in limited insurgency activities during the period under review. Among these were the Red Sea Afar Democratic Organization (RSADO), the Democratic Movement for the Liberation of Eritrean Kunama (DMLEK) and the Democratic Movement of Eritrean Saho (DMES). The Ethiopian army did not conduct further military incursions into sovereign Eritrean territory, which could have challenged Eritrea's territorial integrity and the government's ability to safeguard its monopoly on the use of force in the border area. The Ethiopian authorities were also reluctant to support armed incursions inside Eritrean soil, possibly due to international pressure from parts of the U.S. government and countries interested in the regional stability of the Horn, such as Israel, who advised not to challenge the Isaias government in Asmara in order to avoid another Somalia in the region. Illegal activities on Eritrean soil and in the border regions such as smuggling of goods and human trafficking of Eritreans continued, with the involvement of army officials and the Rashaida ethnic group. The government showed no willingness or did not have the capacity to stop these practices.

Monopoly on the
use of force

6

In the aftermath of the January 2013 military mutiny, tensions within the military continued. There were rumors that one of the most notorious smugglers and human traffickers among the military leadership, General Tekle "Manjus" had been temporarily put under house arrest in summer 2014. This was due to internal power struggles, in which General Philipos Woldeyohannes, who was appointed Chief of Staff in March 2014, gained the upper hand. At about the same time, Minister of Defense Sebat Ephrem lost his position and was moved to the Ministry of Energy and Mines; his former post has since remained vacant.

The mass exodus of the young generation continued and accelerated significantly during 2014, resulting in the loss of large numbers of educated persons including teachers and health personnel. This further weakened the administrative capacities of the state.

The legitimacy of the nation-state was not questioned by the population, as the state of Eritrea is seen as the legacy of a 30-year liberation struggle (1961 to 1991) that took a heavy toll on all segments of society. However, the ruling People's Front for Democracy and Justice (PFDJ), which equates itself with the state, enjoyed very little support and credibility among the population. The unlimited national service requirements imposed on the younger generation led to increasing levels of alienation from the state, as well as from the broader Eritrean nation-building process. The vast majority of Eritrea's youth has considered fleeing the country and living abroad as a far more attractive alternative than fulfilling the extensive demands of the state and government without enjoying rights and benefits in return, and the mass exodus from the country increased further. Ethnic and religious minorities continued to be underrepresented in higher education and state institutions. Feelings of hostility against Ethiopia and Ethiopians have declined sharply among the younger generation, as more than a hundred thousand Eritreans have found refuge there and hundreds have been admitted to Ethiopian universities.

State identity
7

The state is defined as a secular order in which religion and state are separated. In reality, the government considers religion to be a highly politicized issue, and tries to keep strict control over religious practice. During the period under review, it continued to prosecute members of Christian minority Churches and Muslim believers it considered to be "radical." The PFDJ ideology prioritizes "martyrdom for the nation" over spiritual values and demands that citizens act accordingly. Among the faiths affected were Evangelical and Pentecostal churches, Jehovah's Witnesses and adherents of Wahhabi Islam. The leaders of the religious communities accepted by the state, namely the Orthodox, Catholic and Lutheran churches and Sunni Islam, were controlled by the government. Nevertheless, the four Catholic bishops in Eritrea published a pastoral letter in May 2014, in which they decried the mass exodus of youth and clearly pointed out the reasons for it, mainly the unlimited national service which has led to an anomic situation in the country. Eritrean authorities did not retaliate, probably because the bishops are backed by the Vatican. Abune Antonios, an Orthodox Church patriarch removed from office by the government after criticizing state interference in religious affairs and arrested in 2006, remained under house arrest. Some Muslim religious leaders and community elders who had also been arrested due to their alleged disloyalty to the PFDJ remained in custody and were labeled radical Muslim fundamentalists. Following the military mutiny of 21 January 2013, which had been led by Muslim officers, a number of high-ranking Muslim PFDJ cadres, among them Abdallah Jabir, head of Organizational Affairs, Ahmad Haj Ali, minister of Energy and Mines, Mustafa Nurhusein, governor of the Southern Region, Alamin Haj Saleh, former governor of the Anseba Region, Mohammed Ali Omaro, ambassador to Nigeria and Ahmad Baadore, chair person of the Middle Eastern desk at the Ministry of Foreign Affairs, were detained. At the same time, the government accepted the application of customary and religious law

No interference of
religious dogmas
7

(Shariah and Orthodox Church-related customary laws) in civil jurisdiction and conflict mediation in the absence of a functioning secular judiciary system.

The state's administrative structures continued to cover the whole country, but the quality of the services it provides has been declining continuously both in the countryside and in the urban centers. The economy continued to suffer from control by the state (party) and the military, and its output was minimal. Juridical services were poor, and civil litigation was mainly handled by customary law institutions. Administrative services were hampered by the ongoing and steadily accelerating mass exodus of skilled individuals, poor management of scarce resources and high levels of corruption. In spite of significant additional revenues derived from gold and copper mining that began in 2011, the government was unable to provide the population with basic goods and services such as electricity, cooking fuels, reliable access to drinking water, or affordable food items. National service-based development programs continued to focus on infrastructure projects of poor quality, while the existing infrastructure, mainly in the capital and other cities, suffered from severe neglect. During the period under review, the administration had difficulty putting the most recent round of national service recruits to work, and about 6,000 of them were kept in a rural area without any work assignments and without sufficient food.

Basic
administration
3

2 | Political Participation

Since Eritrea's independence in 1993, there have been no elections on the national or regional (zoba) levels and no free elections on the sub-regional and local levels. The PFDJ remained the only legal political party, and President Isaias Afewerki, who has been in power since independence, showed no readiness to accept elections or any change in the country's political status quo. He rules in conjunction with a small number of advisers from the PFDJ leadership, most importantly Yemane Gebreab (head of the party's Department of Political Affairs) and Yemane Gebremeskel (director of the President's Office), while the military continues to enjoy considerable political power and the defunct National Assembly has not met since 2002. In 2014, Afewerki announced plans to draft a new constitution, which was supposed to replace the democratic, yet unimplemented, constitution of 1997. The Cabinet of Ministers, which was handpicked by the president, had very little decision-making power. The posts of Minister of Defense and Minister of Information were vacant at the end of the review period.

Free and fair
elections
1

Political decision makers in Eritrea are not democratically elected or restricted in their policy-making by constitutional constraints. Veto powers that might undermine democratic procedures are nonexistent, as democratic procedures are alien to Eritrea's policy-making process. High-ranking military officers have gained increasing influence in recent years, and might be able to exert a veto on decisions that threaten the profits they make through contraband trade and the exploitation of national service conscripts.

Effective power to
govern
1

Association and assembly rights are completely denied in Eritrea. Independent civic groups are prohibited, and the PFDJ is the only political party allowed in the country. The National Union of Women, the National Union of Youth and Students, and the Confederation of Eritrean Workers are government-controlled satellites of the ruling party. Assembly rights are severely restricted, and even gatherings of religious groups (Pentecostal Christians, reformist Orthodox Christians, followers of Wahhabi Islam, etc.) are prohibited. Participants in such meetings, including children, are often arbitrarily arrested with some participants kept in prison for years. Political demonstrations are inconceivable in an atmosphere of general suppression, surveillance by security agents and the widespread use of force by the police, the military and the state security services. Security agents infiltrate private gatherings, such as wedding and funeral ceremonies, in order to spy on private conversations.

Association /
assembly rights

1

Freedom of expression is completely denied in Eritrea. The private press has been banned since 2001, and the state media continued to be controlled by the Ministry of Information. The minister of information, a close confidant of the president, defected in December 2012 and his post has since remained vacant. Eritrea continued to be ranked last in the world in Reporters Without Borders' press freedom indices, a position it has held since 2007. Numerous independent journalists jailed in 2001 were kept in detention, and the state media were restricted to reporting on the alleged progress of development projects and the "satisfaction" expressed by Eritrean nationals with the benefits received from the government. Private conversations in bars, cafés and during social meetings such as marriages were monitored by a countrywide net of agents working for the government and/or the military's security apparatuses. This included religious ceremonies such as the two Muslim feasts Eid el Fitir and Eid al Adha, which were closely watched by state security personnel who infiltrated gatherings and meetings with the help of Muslim PFDJ members. Many of those who openly criticized the government's policies were labeled as religious extremists and imprisoned without charge. In spite of the extremely high levels of suppression, during the period under review, a resistance group called "Arbi Harnet" (Freedom Friday) managed to distribute an underground newspaper and pamphlets in Asmara and some other urban centers.

Freedom of
expression

1

3 | Rule of Law

Separation of powers, including checks and balances, is nonexistent both de jure and de facto, as Eritrea has no implemented constitution. A small number of high-ranking cadres of the ruling PFDJ and the government form a monolithic power apparatus, and the parliament is not convened. The cabinet of ministers is handpicked by the president, and ministers have very limited decision-making powers in their respective portfolios. The legislative, executive and the judiciary branches of government are controlled by the president, who rules by decree. State power is thus not subject to

Separation of
powers

1

law. The internal power balance of the regime has shifted to some degree in favor of the military generals. Some branches of the judiciary, namely the special courts, are under the control of the military; military officers also exercise juridical functions over their conscripts. The commanders of the military operational zones (four generals) had some influence on government policies, especially in the field of regional administration. Their involvement in illegal activities for personal profit such as smuggling goods and selling them in the black market, as well as the trafficking of Eritreans fleeing the country continued. However, in March 2014, some reshuffles in the military leadership took place and it seems that the most notorious smuggler and human trafficker, General Tekle “Manjus,” has lost power in recent months.

The formal judiciary remains poorly organized and dependent on the government, which often means that the president interferes directly. The Supreme Court has been defunct for over a decade. The military or special courts headed by military officers acting as lay judges remained in place, operating without standard procedures; high-ranking military officers also exercised juridical power over army recruits. Police, state security and military personnel often arrested people, held them for several months and released them without ever bringing a formal accusation or bringing them before a court of law. Arrests of parents whose children have fled the country were less frequent during the period under review due to the ever-increasing numbers of refugees. However, when the Minister of Information defected in 2013, his father and fifteen-year-old daughter were arbitrarily arrested. The state security and military officers routinely intervened in conflicts over land and other resources in favor of their relatives or members of their respective ethnic group. Another common practice was to confiscate houses and other properties belonging to minorities or those whose children had fled the country. Family members of army deserters and of diaspora Eritreans who refuse to pay the 2% tax levied by the government had their business licenses withdrawn in some cases. Given the weakness of the formal judiciary, informal customary juridical institutions remained the backbone of juridical practice in civil matters and to a certain extent in criminal cases. These institutions decide cases on the basis of traditional law, which focuses strongly on mediation and reconciliation between the conflicting parties. There are also government-controlled community courts that are supposed to provide rulings based on customary law, but these enjoy less confidence among the public than the informal customary institutions.

Independent
judiciary

1

During the period under review, corruption in the civil administration and especially in the military remained widespread. High-ranking officers continued to engage in illegal activities such as smuggling goods, and their involvement in human trafficking continued. They facilitated the flight of the ever-increasing numbers of Eritreans willing to leave the country after paying bribes. Since the completion of a border fence by Israel in late 2012, the number of Eritreans who were trafficked to Bedouins on the Egyptian Sinai Peninsula has decreased; instead human trafficking across the Sahara to Libya increased rapidly. General Tekle “Manjus,” who had played a leading role in the human trafficking business seems to have fallen out of the president’s favor, and some of his staff were arrested. However, this seems to be due to internal power struggles between him and Chief of Staff General Philippos Woldeyohannes rather than to attempts to contain corruption. Staple goods, especially fuel (gasoline, diesel and kerosene for cooking purposes) remained in short supply, and contraband trade in these commodities flourished. Eritrean officers regularly collaborated with Sudanese officials in these illegal activities. Army officers continued to accept bribes from military or national service conscripts in return for sick leaves or other exemptions from the service. Such actions had no legal consequences and were tolerated by the government as a means of appeasing military officers. There was no adverse publicity since state media did not report on any corruption cases.

Prosecution of
office abuse

2

There is absolutely no protection of civil rights in Eritrea. More than two decades after its independence, the country still has no implemented constitution, and civil rights are not guaranteed by any law. Top government officials, including the president, express their open disregard and disrespect for internationally accepted civil rights and the due process of law. There is no freedom of the press, no right to habeas corpus, and no freedoms of expression or assembly. Religious freedom is restricted to the four officially accepted faiths: Orthodox, Roman Catholic and Lutheran Protestant Christianity, and Islam. Even representatives of these religions are subject to surveillance, intimidation and arrests. The rights to life and security are ignored and torture is widespread in prisons and army prison camps. The lack of civil rights affects the entire population, but ethnic and religious minorities are often subject to relatively harsher treatment. Due to the grave human rights situation, the U.N. appointed a Special Rapporteur on Human Rights in 2012, who has published several devastating reports. This led to the establishment of a U.N. Mission of Inquiry to further examine the human rights situation in the country. Traditional juridical institutions are committed to justice, but neglect gender equality to a certain extent.

Civil rights

1

4 | Stability of Democratic Institutions

There are no democratic institutions in Eritrea. The president's position has not been confirmed by elections since he came to power as a guerrilla leader in 1991, and no parliamentary elections have been held since independence. The PFDJ is the only party allowed in the country and its leadership is not subject to inner-party elections. The party held its last congress in 1994. The National Assembly, a parliamentary body comprised of members of the former Politburo and central committee of the PFDJ, has not convened since 2001 and is obviously defunct. Many of its members are either in jail or were forced into exile. Political power rests solely with the president and a few of his advisors within the president's office and the PFDJ leadership. Twenty-two years after formal independence, the country still lacks an implemented constitution. High-ranking military officers have broad decision-making powers in the regional administrations, and also control legal and illegal economic activities. In the absence of democratic procedures, the economy is controlled by a highly interlinked conglomerate of the PFDJ, the government and the military. The president, who is aware of the generals' power base, continued to use divide-and-rule strategies in order to limit the potential threat they pose to his monopoly on power.

Performance of democratic institutions

1

All of the few relevant political actors remained determined to obstruct the emergence of democratic institutions. The former supporters of political pluralization within the PFDJ (the so-called G-15) have been in detention since 2001, and many are believed to be dead or in poor health due to unbearable conditions and the denial of medical treatment. Other potential proponents of democratic change have either been arrested, forced into exile or silenced by fear for their and their family's lives. In the aftermath of the attempted coup in January 2014, during which some military officers had demanded the implementation of the constitution and the release of the G-15, the government arrested middle-ranking military officers and high-ranking PFDJ cadres of Muslim faith because the leader of the mutiny had been a Muslim. The political opposition abroad remains fragmented and lacks a clear agenda for political change. Since 2011, new youth movements for democratic change have appeared in the diaspora, and one of them, Arbi Harnet (Freedom Friday) seems to have established a network of supporters inside Eritrea who engaged in activities such as distributing pamphlets and printing an underground magazine during the period under review.

Commitment to democratic institutions

1

5 | Political and Social Integration

The PFDJ has been the only permitted party since independence. The political leadership has no intention of allowing a multiparty system to develop in the foreseeable future. Over the past decade, the population has been progressively alienated from the ruling party, which had initially been welcomed as the liberator of the country. It is now perceived as a “mafia organization” rather than a political party by the majority of Eritreans, with the exception of the considerable number of PFDJ supporters in the diaspora. The leading PFDJ members who were arrested in the aftermath of the January 2013 mutiny, despite their lack of direct involvement in the coup attempt, remained in custody. As the only existing party, the PFDJ has been severely weakened by the president and is in no position to articulate and aggregate societal interests. It has lost its former connection with at least some parts of society.

Party system
1

Associations and interest groups acting independently of the PFDJ are prohibited. The party claims that the Eritrean people are a single mass sharing the same interests, and that it is the only organization representing the interests of all societal groups. It has suppressed the emergence of civil society organizations from the beginning and firmly controls the mass organizations (the unions of women, workers, youth and students). In reality, the party and the military are groups which represent their own narrow self-interest, while the social interests of the vast majority of the population remain unrepresented. Among the population, local elders remain highly respected and have acted as mediators when social groups’ interests have collided, for example in cases of land conflict. However, they are barred from intervening in political affairs. In an unprecedented move, the four Eritrean Catholic bishops published a Pastoral letter titled “Where is Your Brother?” in June 2014. The letter describes the disastrous mass exodus of the youth due to the harsh economic and social conditions caused by the prolonged military and national service, and calls on the authorities to ameliorate the situation. The government did not officially react to the letter, which was secretly copied and widely distributed among the population.

Interest groups
1

There are no public opinion surveys in Eritrea.

Approval of
democracy
n/a

Social trust is rooted in networks based on customary law, common descent and religion. These networks used to alleviate social hardships, but have been continuously weakened by the structural militarization of the society through the national service requirement, which deprives large parts of the population of the opportunity to earn incomes large enough to enable them to support their extended families. Existing local networks such as “equbs” (saving clubs) and traditional mediation networks have been systematically infiltrated by government agents in order to influence their attitudes, which has increased mutual mistrust. However, there are social networks linking Eritreans in the diaspora and those inside the country. In fact, the main objective of the increasing numbers of Eritreans who flee their country is to establish themselves in the diaspora and send remittances back to their extended families.

Social capital
2

In 2012, the government started to arm civilians in the cities, but also in parts of the countryside, and organized them into neighborhood militias. Yet, this measure did not significantly increase mutual distrust as had been expected; increasing numbers of these armed militia (most of whom are elderly people beyond the national service age) are currently refusing to patrol their neighborhoods or to report for military training.

II. Economic Transformation

6 | Level of Socioeconomic Development

Question
Score

Eritrea remains one of the world’s poorest countries, and poverty is endemic. The Global Hunger Index continued to assess Eritrea’s nutritional situation as “extremely alarming” with more than 60% of the population being undernourished. The government did not grant foreign NGOs access to the needy population and the prolonged national service continues to hamper subsistence farming and pastoral activities, from which an estimated 80% of the population makes a living, in spite of favorable rainfalls and a potentially good harvest in 2014. Statistical data are either not available or unreliable due to the complete lack of government transparency. The supply of basic consumer goods such as potable water, cooking fuel and electricity in urban areas remained insufficient during the period under review. Eritrea’s Human Development Index rank was 181st out of 186 (with a score of 0.351), an indicator of a very low level of socioeconomic development. Due to the unlimited-term national service requirement, which has been in place for 12 years and has forced the majority of the adult population to serve as recruits in return for pocket money, the poverty rate is very high and large numbers of Eritreans depend on the support of relatives in the diaspora for survival. Thus, the majority of the people are structurally

Socioeconomic
barriers
1

excluded from opportunities to make a decent living, which has led to a rapidly increasing mass exodus. Most of the vocational training centers, the colleges and health centers are found in the capital and in the Southern Region where the dominant Tigrinya ethnic group is concentrated, while other groups have little access to education and are generally taken as conscripts to the Sawa military training center when they reach the age of 18. Subsequently, they are used as forced laborers in PFDJ and military-owned enterprises. Ethnic minority groups such as the Saho, Afar, Kunama, Nara and Hedareb tend to be more vulnerable, poorer and suffer more frequently from malnutrition; among these communities, the child mortality rate is very high, as few parents have family members abroad who can support them financially.

Wealth is concentrated in the hands of a few corrupt army officials and PFDJ cadres who control the command economy and are engaged in contraband trade and illegal activities such as human trafficking. It is believed that large sums of money have been transferred to Chinese bank accounts under the names of the president and his son. Gender inequality persists, especially in educational settings, as does indirect discrimination against citizens who do not belong to the dominant Tigrinya ethnic group. School enrollment rates declined from 44% to 42.5% at the primary level, while the secondary school enrollment rate was 29.8% and the tertiary rate just 2%. The number of girls attending schools was significantly lower than that of boys, and there were structural disparities between urban and rural areas. Increasing numbers of qualified teachers have fled the country, as they would otherwise be forced to work without payment as national service recruits. These have often been replaced by young college graduates with a lack of qualifications, motivation and experience. This situation has contributed to a steady decline in the quality of instruction.

Economic indicators		2005	2010	2013	2014
GDP	\$ M	1098.4	2117.0	3444.1	3857.8
GDP growth	%	2.6	2.2	1.3	1.7
Inflation (CPI)	%	-	-	-	-
Unemployment	%	7.5	7.3	7.2	-
Foreign direct investment	% of GDP	0.1	4.3	1.3	-
Export growth	%	-1.0	17.5	-	-
Import growth	%	-22.0	11.3	-	-
Current account balance	\$ M	-	-	-	-

Economic indicators		2005	2010	2013	2014
Public debt	% of GDP	156.2	143.8	130.4	132.1
External debt	\$ M	757.2	1041.5	945.5	-
Total debt service	\$ M	22.1	22.8	87.7	-
Cash surplus or deficit	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	35.2	23.9	-	-
Public expnd. on education	% of GDP	-	-	-	-
Public expnd. on health	% of GDP	1.1	1.4	1.4	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	-	-	-	-

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | International Monetary Fund (IMF), World Economic Outlook, October 2015 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2015.

7 | Organization of the Market and Competition

Market-based competition remains virtually absent in Eritrea. The government, through the PFDJ and the military, retains the control over trade, production and cash-crop agriculture. PFDJ-owned companies such as Segen Construction have a monopoly in the construction sector, where private-sector activities have been prohibited since 2006. Restrictions regarding the possession and the transfer of foreign currencies were slightly eased in February 2013, mainly to facilitate the influx of cash from the diaspora. Diaspora Eritreans re-entering their homeland are now free to carry hard currency in cash without having to prove that they exchanged the money at a bank upon exit. This gave a boost to the foreign-currency black market, which is handled by the government. The regime is also involved in informal money transfers by diaspora Eritreans to the homeland via the hawala system. In spite of increased national income generated by the Bisha mine, a joint venture of Canadian Nevsun and the Eritrean Mining Corporation (ENAMCO), which initially produced gold and has been transformed into a copper mine, the scarcity of consumer goods continued, and the government continuously failed to import fuel to produce sufficient electricity; accordingly, regular blackouts continued throughout the period under review. Kerosene for cooking purposes and petrol were only available on the black market. Illegal activities by military officers including contraband trade and human trafficking continued and were tolerated by the government. Fuels, food items such as sugar, wheat, cooking oil and rice, and spare parts were smuggled across the Sudanese and Yemenite borders and sold in the black market at very high prices (four

Market-based
competition

1

or five times that of regular market prices). The confiscation of locally produced agricultural goods for the purpose of sale in the black market continued. Foreign investment, including from diaspora Eritreans remained low; rather, the government relied on remittances from the diaspora and continued to levy a 2% diaspora tax on all Eritreans living abroad.

During the review period, the country's economy continued to be controlled by the ruling PFDJ and its enterprises in the trade, retail market, construction and cash crop sectors and in the mining of copper and other precious metals (as in the case of joint ventures with the Canadian Nevsun company and other foreign companies still in the stage of exploration). The government, PFDJ and the military continued to form a monopolistic conglomerate, leaving no space for free entrepreneurship. The Hdri Trust Fund, under the supervision of PFDJ Financial Director Hagos Ghebrehiwet "Kisha," controlled all relevant companies operating in Eritrea. Large segments of the population continued to be kept as recruits in the unlimited-term national service, and were used as forced laborers by party-owned companies such as Segen Construction. In 2014, the only noteworthy foreign investor, Nevsun Resources, was sued for complicity in torture, forced labor, slavery, and crimes against humanity by a Canadian law firm representing two former national service conscripts. The company had accepted the services of the PFDJ-owned Segen Construction Company for mining-related construction work, thereby making use of the forced laborers employed by this company. The government has not implemented any measures aimed at preventing the emergence of monopolies, and did nothing to change the inefficient monopolistic structures it has created.

Anti-monopoly
policy

1

All foreign trade remained under the supervision and control of the state and the import and trade of goods remained severely restricted. It was mandatory to be in possession of a license in order to be able to import even small quantities of goods. Such licenses were reportedly frequently withdrawn during the period under review. Imported goods were subject to tariffs, and the sum to be paid could be arbitrarily fixed by the tariff office ("gumruk") in Asmara. In principle, the PFDJ-owned Red Sea Corporation controlled the import-export trade, but contraband activities, which are mainly run by the military, continued to increase in importance due to the perpetual scarcity of all kinds of consumer goods. The border town of Tessenei turned into a smuggling hub, where corrupt Eritrean and Sudanese officials cooperated in the contraband trade of goods. Due to the lack of free foreign trade goods remained extremely expensive, including basic consumer goods such as grain, rice, sugar and cooking oil. Farm laborers and local merchants were not allowed to transport agricultural goods from one zoba (region) to another without risking confiscation. The military was involved in the confiscation of such goods, subsequently selling them on the black market for a high profit. Exports were insignificant and handled by the Red Sea Corporation. The government continued its policy of alleged self-reliance and isolation from free world-market trade.

Liberalization of
foreign trade

1

There are three state-controlled banks in Eritrea – the Bank of Eritrea, the Commercial Bank and the Commercial and Housing Bank – while the PFDJ runs Himbol Financial Services. Himbol is in charge of handling remittances and tax payments of diaspora Eritreans, which are channeled through Eritrean embassies and consulates abroad or through appointed government “money collectors.” Private banks are not allowed, and there is no free capital market. The local currency, the nakfa, remained artificially fixed to the U.S. dollar at a severely overvalued rate of ERN 15 to \$1. The currency black market using the “hawala” system thus continued to flourish. Diaspora Eritreans usually prefer to engage in private money transfers via third persons, many of whom are based in Dubai and allegedly often government agents, when they remit money for the support of their extended families in the home country. Beneficiaries inside Eritrea receive the cash transfer in nakfa, at a fairly consistent rate of about ERN 44 to \$1. In the foreign cash black market inside Eritrea, the exchange rate was about ERN 50 to \$1. Small retail traders and other small-business owners (owners of cafeterias, stationeries or shoe shops) are often involved in these practices. These activities are usually tolerated by the government, which seems to be involved in and profiting from the system as well.

Banking system

1

8 | Currency and Price Stability

Eritrea’s central bank, the Bank of Eritrea, is not independent from the government, which continued to follow an irrational financial policy which amounts to nothing more than fixing the nakfa to the U.S. dollar at a rate of 15 to 1, which means that the nakfa has been severely overvalued for years. This has contributed to a steady expansion of the currency black market, which currently offers an exchange rate of ERN 44 to \$1. There were no reliable data concerning inflation, which was hard to determine due to the opacity of the financial system. According to IMF and World Bank data, the inflation rate, which had soared to 30% in 2009, has leveled out at about 13% since 2010. The government continued to strictly control import-export trade and the foreign currency market. However, since 2013, travelers no longer have to declare the amounts of foreign currencies they are carrying when they arrive at Asmara Airport. Hence, diaspora Eritreans are now encouraged to change hard currency on the local “black” currency market, which is controlled by the ruling party/government. Due to the chronic scarcity of hard currency and the limitations on the import of vital consumer goods and spare parts, a large number of corrupt government and military officials are involved in illegal contraband activities that undermine the official austerity policy, inflate the black market and contribute to high consumer prices. Fuel was only available on the black market during the period under review. The government has continued to deny the presence of any food scarcity in the country, and did not accept food aid from the international community. As a result, food had to be imported through contraband trade channels, and was sold at consistently high prices in the market.

Anti-inflation /
forex policy

1

Statistical data by which Eritrea's macroeconomic stability might be assessed are either non-existent or unreliable, as the country has not published a budget since independence. In addition, all economic enterprises of any significance are controlled by the PFDJ or the military and are not subject to financial oversight, including the mining sector. In 2011, Canadian mining company Nevsun (a joint venture with the Eritrean National Mining Corporation) started gold extraction at the Bisha mine and shifted to copper extraction when the gold deposits were exhausted in 2013. The company paid \$317 million in royalties and taxes to the state of Eritrea in 2012 and \$85 million in 2013. It is not clear how the government used this substantial income. The prevailing shortage of basic consumer goods continued, the inflation rate stood at an estimated 13%, and the government did not invest in the existing state-run factories nor did it create new business opportunities. Hard currency reserves remained very low and dependence on diaspora remittances high. The government was unable to import sufficient fuels for the production of electricity and private household consumption. The use of national service conscripts as forced laborers in return for only minimal pay continued and fueled the ongoing mass exodus, which multiplied during the period under review. This extremely large outflow of people (several thousand per month) can be largely attributed to the poor macroeconomic situation and the impossibility of making a decent living inside Eritrea for the majority of the population. The current situation can be seen as a vicious circle, in which the government's misguided economic policy, including the recruitment of the workforce into the national service, fuels the exodus, which in turn damages macrostability even more severely over the long term and cements the government's dependence on remittances.

Macrostability

1

9 | Private Property

Property rights and regulations are formally defined by law, but due to the lack of a constitution or the rule of law, there is no protection against arbitrary confiscation of land and property. In spite of the land reform of 1994, which declares that all land belongs to the state, highland farmers are usually granted usufruct land rights based on customary law. There have been no major resettlement projects during the period under review, but generally the people are not safe from being arbitrarily expelled from land over which they enjoy usufruct rights.

Property rights

3

The western lowland has been the focus of numerous resettlement programs in the past, in which the indigenous population was not compensated for their loss of land. The eastern lowland and highland escarpments to the Red Sea Coast have also experienced resettlement programs in which members of the indigenous Saho population group were similarly uncompensated. The same is true for those who have lost their land to the military, which has established cash-crop farms run by conscripts, mainly in the Gash-Barka Region. The handling of property rights by the

government remains highly nontransparent and unpredictable. In 2014, the Australian mining company South Bolder Mines, a joint venture with the Eritrean Mining Company (ENAMCO), carried out a pre-feasibility study for a future potassium mine in the Southern Red Sea Region over an area comprising 400 square kilometers. The local Afar population fears that their customary land usufruct rights will be disregarded once the project becomes operational.

The government's hostile policy toward the private business sector continued, and all economically significant companies are owned by the PFDJ, the government or the military. Foreign companies active in the exploration of gold and other precious metals are forced to enter into joint ventures with government companies in order to obtain a license. Outside the mining sector, foreign investment is discouraged. In 2013, the government-owned telecommunication company EriTel sold shares to diaspora Eritreans, which can be seen as an attempt by the government to fill its empty coffers with capital from Eritreans living abroad, whose readiness to pay the mandatory 2% income tax has steadily declined. The government has a record of extracting money from diaspora Eritreans for investment projects which fail to be finalized, for example in the housing construction sector. For the remaining private companies, mainly small enterprises and shops, it remains impossible to convert profits into hard currency in order to purchase spare parts and other materials. In 2014, many small traders who used to import goods from Dubai had their import licenses removed and were told to buy goods in Tessenei, a city situated on the border with Sudan, which serves as a contraband trade hub. The smuggling business is run by high-ranking military officers and by PFDJ cadres, including the recently appointed Minister of Trade and Industry.

Private enterprise

1

10 | Welfare Regime

The state does not provide a social security network that covers risks such as unemployment, illness, old age or disabilities, with the exception of a Martyr's Trust Fund that raises money from diaspora Eritreans for the benefit of relatives of fighters and soldiers killed in action. The funds are distributed in a nontransparent manner. The provision of social security is left to traditional solidarity networks based on clan and enda (extended family) structures. However, these traditional security networks have been weakened substantially by the unlimited-term national service program that has now been in place for 12 years. Most male and many female Eritreans of working age (18 to 50 years and beyond) are conscripted and prevented from earning an income sufficient to care for themselves and their nuclear families, let alone their extended families. The state does not provide compensation for relatives of conscripts. As a consequence, many Eritreans are left with the options of fleeing the country to sustain themselves abroad or depending on diaspora remittances from their relatives to survive. Some population groups of the Southern Red Sea Region, as well

Social safety nets

2

as the Southern Region are especially vulnerable and undernourished due to the government's intentional policy of neglect (ethnic Afar and inhabitants of the Akele-Guzay region are considered government opponents).

Eritrea has a functioning basic health care program, including malaria prevention, but only an estimated 1.2% of the budget is spent on health care programs today (as compared to 2.7% in 2001). The system suffers from increasing institutional weakness, as large and rapidly increasing numbers of doctors and other qualified medical staff have fled the country in recent years.

In principle, all social groups have equal access to the limited services provided by the state, including basic health care, education and food coupons in urban areas. Schools and the limited number of health care centers are concentrated in cities and towns dominated by the Tigrinya ethnic group, while other ethnic groups – especially pastoral and agropastoral social groups – are excluded from many services. Food coupons are often withheld for political reasons. In practice, women, Muslims and ethnic minorities are underrepresented in higher education and in the administration, which is dominated by male Tigrinya. Jehovah's Witnesses are denied all civil rights, and Christian and Muslim denominational minorities are persecuted. The 12th school year is held at the Sawa military training camp for all students nationwide, and female students often face sexual harassment there. This discourages all female students, but especially those of Muslim faith, from school attendance. Only a small minority of those students who pass the twelfth grade are granted access to tertiary education at so-called colleges, while the vast majority are directly conscripted into the army and the national service. Thus, most citizens are deprived of a personal career.

Equal opportunity

1

11 | Economic Performance

The command economy controlled by the PFDJ and the military remains in very poor shape despite the commencement of gold and, since 2013 copper, mining at the Bisha mine (a joint venture of the Canadian Nevsun and the Eritrean National Mining Corporation). Economic growth declined to a mere 1.3% from 8.7% in 2011. However, mining activities resulted in a substantial GDP growth from \$2.6 billion in 2011 to \$3.4 billion in 2013. Yet, it remains unclear how the resulting revenue of more than \$1 billion since 2011 has been spent. Throughout the period under review, the government was unable (or unwilling) to import the fuels necessary to keep its only electric power plant in Hirghigo running, and regular blackouts continued. Due to infrastructural neglect, the potable water supply in the capital Asmara declined sharply and no maintenance measures were undertaken. Basic consumer goods remained scarce and import activities mostly occurred in the form of contraband trade of consumer goods and fuel by the military via Sudan. There were also contraband activities across the Red Sea with Yemen and via Djibouti. Military marines used their boats to traffic goods and people across the sea. Smuggled goods were

Output strength

1

subsequently sold in the black market at exorbitant prices, while formal economy activities were very limited. Statistical data remained non-existent or unreliable due to the complete lack of transparency and the failure of the government to produce a state budget. Average annual consumer price inflation was 12.3%, according to IMF estimates, down from over 20%. In fact, it seems that consumer prices have remained at a high level. The continuing militarization of the society, which takes the form of requiring most of the adult population to work in the national service for no more than pocket money, distorted the labor market and fueled the mass exodus of the youth and the educated even more than in the past years, in turn increasing the fragility of the state's institutions.

12 | Sustainability

The government's environmental policy remained unchanged. While environmental protection is promoted in theory, it does not seem to be a priority of the government in fact. The actual state of pollution remained low due to the very limited levels of industrial production and limited exploitation of marine and coastal resources. However, the chronic shortages of fuel and kerosene worsened further in spite of the flow of revenues from the mining sector. This has forced the population to use firewood for cooking purposes, even in the urban areas for extended periods, which has resulted in a process of countrywide deforestation. Contraband trade of illegally harvested wood with the involvement of the military was common. The informal production of charcoal for sale by poor households remained widespread and was usually tolerated by the government. However, poor rural women who produced small amounts of charcoal to sell in the towns often faced confiscation at checkpoints, as did pastoralists who transported wood using camels. The confiscated goods were sold in the black market by the officers. It is unknown if the pollution created by the activities of the Bisha mine in the Gash-Barka Region is dealt with appropriately because access to the area is heavily restricted.

Data related to public expenditure for education were not available for the period under review, but have probably remained low, at about 2% of GDP. Gross enrollment ratios were among the lowest in the world, and the female enrollment ratio remained significantly lower than that of males. The same held true for enrollment ratios among disadvantaged minority groups in primary-level mother tongue schools, especially among the pastoral and agropastoral groups. Early school withdrawal rates have steadily increased in urban as well as in rural areas. This is mainly due to the fact that all students have to pass their 12th school year at the Sawa military camp in order to finalize their secondary education. About 2% of each age cohort transfers from here to tertiary education, while the rest are forced to enter the unlimited-term national service, where some receive vocational training. For these reasons, large numbers of Eritrean youth prefer to drop out of school or flee to neighboring countries

Environmental
policy
2

Education policy /
R&D
2

as unaccompanied minors before they reach the age of 18 in order to avoid conscription. The literacy rate was estimated at 70.5% (80% male, 61% female), but functional literacy is probably much lower. The quality of education continued to suffer from a lack of motivated and adequately trained teachers, especially in rural areas, where unpaid national service recruits were deployed; many of these left the country or concentrated their efforts on planning their flight, which resulted in poor instruction quality. The lack of paid employment opportunities since the introduction of national service without a time limit had a negative effect on students' motivation to study. There was no investment in research and development, and the University of Asmara remained closed. Research is seen as a dangerous and challenging issue, and scholars are not allowed to perform research without first obtaining permission from the president's office. The subject must be one accepted by the authorities. Research has now virtually come to a halt because the vast majority of Eritrean scholars has left the country. Tertiary education is limited to so-called colleges that do not grant internationally accepted grades, and only a very limited number of students have access to these facilities.

Transformation Management

I. Level of Difficulty

When the current government came to power 25 years ago, it inherited structural constraints related to the 30-year struggle for liberation such as poor infrastructure, widespread poverty and illiteracy. Another structural constraint is the dry climate which limits the productivity of rain-fed agriculture. However, it also inherited a fairly developed and diversified industrial sector that had been created under Italian colonization, and which continues to form the heart of the country's industrial production. In the first years following independence, the government developed programs to overcome the damage done by the war, setting out a cautious path of liberalization and democratization. However, these developments came to an end with the outbreak of the Eritro-Ethiopian war (1998 – 2000), in the service of which the population had to pay a heavy toll, and in which parts of the newly erected infrastructure were destroyed. Since the end of the “border war,” the government has made no move to loosen political, social or economic restraints, and has shown no interest in pursuing policies leading to democratization or the construction of a market economy. Indeed, the government is actively working against democratization by claiming that the educated and the merchants are the primary enemies of the government's development strategy. It has imprisoned or exiled hundreds of thousands of civilians and young officers who have criticized the government's economic policies. NGOs, international donors and national investors seeking to provide aid or other supplies to the population have been refused access because the government claims that Eritrea is self-sufficient. By its misguided economic policies, lack of democratic transformation and the militarization of society, it has continuously built up new constraints to sustainable development. The government has been forcing its population into unlimited-term national service for more than a decade, a requirement that has driven hundreds of thousands of Eritreans into a rapidly accelerating mass exodus, which is decisively weakening state institutions and public services. The government's policies create additional constraints by strictly limiting opportunities for entrepreneurship, tolerating contraband trade and human trafficking by military officers, and by severely hampering the higher educational sector. By these failed policies, the government increases the risk of state failure from year to year and deprives generations of Eritreans of the ability to make a dignified living inside their mother country. Fresh revenues created by the mining sector are not used for the benefit of the population

Structural
constraints
9

or for investment purposes, but most probably end up in the coffers of government and military officials, including those of the president himself. The government's destructive foreign policies, including harboring and training radical opposition groups from neighboring Ethiopia, Somalia, Sudan, Djibouti and Yemen, led to the imposition of sanctions by the United Nations Security Council in 2009 and their tightening in 2011, which can be seen as a further constraint to Eritrea's development. In recent years, the government has been more reluctant to send military support to militant groups, but has continued to refuse to settle its border issue with Djibouti. Thus, the sanctions have so far not been lifted.

Civil society organizations such as NGOs, labor unions and organized interest groups of all kinds are prohibited in Eritrea. Attempts to create civil society organizations that work independently of the government have been suppressed from the beginning of the state's existence. The national unions for women, youth and students and the worker's confederation are the leftovers of the former mass organizations of the Eritrean People's Liberation Front (EPLF) and are de facto branches of the government. They have become increasingly inactive during the past years. On the other hand, traditional civil society networks, based on elaborated mediation procedures performed by religious and local elders, have strong roots in Eritrean culture and continue to be a means of solving conflicts between various interest groups in the absence of a democratic judiciary system. These have also served as the backbone of the social security network given the lack of a state-run welfare system. However, the involvement of the government, which created new PFDJ-loyal community courts in 2004, has weakened these traditional mediation networks to some extent, especially in urban areas. In addition, the decade-long militarization of society through the national service program, which alienates the population from their social roots and prevents them from founding and caring for a family, has weakened traditional civil society networks inside Eritrea further. However, most Eritreans living in the diaspora continue to feel obliged to send remittances to their extended families in the homeland. These private remittances constitute the only existing social security network for Eritreans.

According to government dogma, there are no conflicting interests between the various ethnic and religious groups of Eritrea, and the people are unified under the PFDJ's doctrine of "one people one heart." In reality, there are cleavages between the dominant ethnic group, the Tigrinya, and smaller ethnic groups which feel disadvantaged and excluded from the limited services provided by the state such as education and employment in the state administration. Muslims also feel discriminated against, as Arabic, their lingua franca, is suppressed in educational circles and is not used in the state administration. The attempted military coup of January 2013 was led by Muslim colonels, and consequently, the government cracked down on various high-ranking Muslim PFDJ cadres. Presidential adviser Yemane Gebreab dubbed the coup an uprising of extremist Muslim elements,

Civil society
traditions
10

Conflict intensity
6

although all of those who had been involved had a strictly secular background. Armed insurgency groups acting from Ethiopia continued to exist and carried out attacks on Eritrean military posts in the border area in late 2014. Most of these groups are comprised of Eritreans who belong to ethnic minority groups such as the Afar, Kunama and Saho.

The government's strategy of arming elderly civilians in the cities, mainly Asmara and Keren, but also in some rural areas, and have them patrol as "neighborhood militias," met growing resistance among the affected population. The measure did not result in a significant increase in violence, and, throughout 2014, there were reports that members of the militia groups failed to report for military training or refused to patrol their neighborhoods.

II. Management Performance

14 | Steering Capability

The government's long-term goals and implemented strategies run counter to the establishment of democracy and a market-based economy. President Afewerki has made it clear several times that he has no intention of standing for election or of giving up power in the foreseeable future. It remains unclear how his succession will be organized. In 2013, Woldenkiel Abraha was appointed as new minister of local government, a post which had been vacant since 2001. According to the unimplemented constitution, the minister also acts as vice president, but it is highly unlikely that Woldenkiel, a veteran fighter and long-term member of the PFDJ's executive committee and former minister of transport and communication, who is currently in his seventies and lacks a broader support base, will be the political successor to the current president.

Eritrea's political leadership has ruled out the market economy as a viable model for the country. Instead, the government's ideology is based on militarism, state control over the economy and collectivization of the population within the framework of the unlimited-term national service. The inherent lack of sustainability in this system has led to growing levels of corruption and a decline in values among the leadership, the high- and middle-ranking military officers, and portions of the population at large. The government has continued to ignore the negative impacts of its policies such as the steadily declining economy, the lack of essential consumer goods, widespread poverty, and an ever-accelerating mass exodus, which reached new dimensions in 2014, when thousands of Eritreans fled the country each month. Yet, the leadership

Question
Score

Prioritization
1

seems to be unaware of or heedless of the long-term consequences of its policies, a fact that may result in state failure if policies are not changed in the near future.

The government has no clear policy to implement. Daily politics depend on the changing moods and attitudes of President Afewerki and his small circle of advisers who seem to be unaware of the unsustainability of their “development model.” In spite of the deteriorating economy and the mass exodus, the government has no plans to reform its policy by introducing a market economy or by entering upon a path of democratization. Its policy is to achieve development and social justice purely through self-reliance. Its main development policy instrument remains the recruitment of the working-age population into the unpaid unlimited-term national service. Recruits are supposed to improve the country’s infrastructure by building dust roads, micro-dams and the like. By pursuing this policy of forced labor while simultaneously strangling any private-sector economic initiatives, the government has not only failed to achieve its goal of development, but has maneuvered the country into a deep economic and social crisis. During the period under review, it seemed that the government has increasingly tolerated the mass flight from national military service and regarded Eritrean refugees abroad as an income source by coercing them to pay a 2% diaspora tax, which is levied on all Eritreans abroad. Eritrean embassies around the globe forced national service deserters to sign a “letter of regret,” in which they pledge to pay the tax, which is also levied on social welfare benefits provided by western governments.

Since the political crisis of 2001, the government has demonstrated absolutely no willingness or ability to engage in policy learning. The policy-making process is controlled by the president and a small group of advisors. There is no constitution, no functional parliament, no independent press or NGOs, and the cabinet of ministers does not have any decision-making power. Thus, the leadership has not been challenged in its decision-making process and continues to ignore the serious problems arising from its failed development policy and the militarization of the society. It continues to blame foreign powers, mainly the United States and its Central Intelligence Agency, for all internal and external problems. President Afewerki and his followers in the diaspora still consider Eritrea a model for other African countries, ignoring the dire straits of a population forced to flee the country en masse.

Implementation

1

Policy learning

1

15 | Resource Efficiency

Substantial parts of the state administration are staffed with national service recruits who are forced to work for a pocket money. Since 2002, the government has been recruiting high-school graduates into the national service, employing them in the administration to perform routine daily tasks while the top administrative echelons are occupied by aging ex-fighters with often rudimentary education. This has seriously hampered the efficiency of public services. Rapidly increasing numbers of teachers, doctors and other qualified personnel trapped in the ranks of the national service program have fled the country, rendering state institutions and public services increasingly weak. Veterans of the independence struggle continued to be employed in the administration despite the lack of requisite skills, while large parts of the younger generation were deprived of vocational training or higher education and instead used as a cheap labor force for infrastructure projects, on military-run cash-crop farms or in the mining sector. Eritrea has not published a state budget since independence, and there is no auditing of government spending whatsoever. Regional administrations are run in a parallel system by civil administrators and military commanders who control the country's four military command zones. Each zone is supposed to be self-financing, collecting money both legally and illegally through the taxation of land and trade, but also through the contraband trade of consumer goods and spare parts across the borders. A basic public health service exists, but large numbers of qualified personnel have left the country, further reducing its efficiency. The national service and the mass exodus it produces constitute a huge waste of human resources. Financial revenues created by gold and copper mining have been unaccounted for, instead of being used to alleviate urgent problems such as a lack of energy and affordable food items.

Policy-making is concentrated in the hands of the president and a few top PFDJ advisors. The objectives of the government's policy have become increasingly obscure since the political crisis of 2002, when Afewerki cracked down on PFDJ reformists and the free press. During the period under review, the military has retained considerable influence and plays an important role in the economy and in contraband trade, with increasing involvement in the trafficking of Eritreans who wish to flee the country. The government's overall policy is coherent in principle, but only in a negative way: Its core policy, the militarization of society within the framework of a command economy based on forced labor, has had adverse effects on all other policies such as economic development and social welfare and has triggered an alarming population outflow. Coordination between the various ministries is poor, the president's unpredictable decision-making often depends on his unstable moods, and most state institutions are affected by corruption. Some ministerial posts became vacant by January 2015. These include the position of minister of information, since the defection of Minister Ali Abdu in late 2012, and the post of defense minister,

Efficient use of assets

1

Policy coordination

2

since the redeployment of General Sebhat Ephrem from minister of defense to minister of energy and mines. This followed the arrest of the previous minister, Ahmed Hadj Ali in the aftermath of the January 2013 mutiny. The president's office continued to appease high-ranking military officers by tacitly tolerating all methods of self-enrichment developed by the generals, including contraband trade, human trafficking, the use of forced labor by national service recruits to reap private profits, and bribes of all kinds. General Philippos Weldeyohannes has become the new strongman among the military leadership. He reportedly interfered in the activities of the most notorious smuggler and human trafficker, General Tekle "Manjus," some of whose personal staff were arrested and who may have been put under house arrest himself for a limited period in 2014. However, this was probably due to personal rivalries and not to a fundamental change in policy.

The government's official goal of containing corruption has been effectively abandoned, and corruption by the military or civil servants is usually not prosecuted. Power struggles among leading generals led to an attempt to interfere in the most notorious illegal activities of General Tekle "Manjus," the mastermind behind Eritrea's involvement in human trafficking, smuggling and contraband trade. But generally corruption prevailed unabated. There is absolutely no auditing of state spending or income, due to a complete lack of checks and balances. This includes the revenues derived from the mining of gold and other precious metals, which commenced in 2011. The PFDJ's Hdri Trust Fund controls all major companies in the country (trade, construction, retail etc.) and is "audited" by a single person, the financial head of the PFDJ. Eritrea continued to be ranked last worldwide in terms of press freedom, and state media are prohibited from reporting any negative developments. There is no public accountability for mismanagement or corruption, and even the military-headed special courts, which are supposed to deal with cases of corruption, have become largely inactive. High-ranking military officers continue to be engaged in contraband trade and in the human trafficking business. They accept bribes in order to smuggle young Eritreans out of the country and cooperated with corrupt Sudanese officials and members of the Rashaida Tribe in trafficking refugees. Large numbers of refugees have been kidnapped from Sudanese refugee camps and sold to gangs who demand ransom from relatives in the diaspora.

Anti-corruption
policy

1

16 | Consensus-Building

The country's significant political actors, which effectively means the president and his top PFDJ advisers, remained strictly opposed to the establishment of a democracy. Those political actors who had promoted reform from within the PFDJ (the so-called G-15 group) remained in jail without any access to the due process of law. Other critics of the government's policy were forced into exile or remained silent due to the authoritarian political system. The opposition in exile was fragmented, and there is no opposition party that has developed a political program dealing with the implementation of democracy in a convincing manner. The attempted coup of January 2013 was an indication that there is opposition to the government's anti-democratic policies within the military. The mutineers demanded the release of the G-15 group and the implementation of the constitution. However, the military's most powerful generals either sided with the president or remained silent. The coup attempt did not bring any change to the ossified political system. Even so, an underground resistance group called Freedom Friday, which was founded in the diaspora and slowly gained support inside the country, carried out various activities such as publishing an underground magazine demanding the democratization of the political system and respect for human rights. In addition, the four Catholic bishops of Eritrea published a Pastoral letter in May 2014, in which they harshly criticized the government policies, which had caused the exodus of the young generation. Reportedly, the letter was widely circulated secretly among the population of Asmara and beyond, which can be seen as an act of civil disobedience.

There are no proponents of a free market economy in Eritrea. The few businessmen who had successfully run private businesses during the 1990s and the early years of the past decade were driven into exile by the hostile economic policies of the government. The president has been following a policy of blaming businessmen and traders for all economic evils, including inflation. It is possible that parts of the military leadership favor economic liberalization, because they currently have no investment opportunities for the large sums of local currency accumulated through mostly illegal activities such as contraband trade and the extortion of bribes from conscripts.

The political opposition in the diaspora has no clear economic program and is often organized on Leninist principles of "democratic centralism." The civic organizations in the diaspora are more concerned with human rights and refugee issues than with economic conceptualization of a post-transition Eritrea.

Consensus on goals

1

The government itself is the most significant anti-democratic actor in Eritrea, and has stalled the process of gradual democratization and economic liberalization that it envisaged during the 1990s. The government, the PFDJ leadership and the military leadership are highly interlinked, and this small ruling elite is deeply anti-democratic. Potential reformers not only lack influence over government policies, but have been persecuted and effectively silenced since the crackdown on the reform movement in 2001. Military officers profit from the current policy of militarization, as it grants them plenty of opportunities for personal enrichment. The opposition in exile still does not promote democratic and economic reforms in any consistent way; it remains fragmented and lacks a clear political agenda.

Anti-democratic
actors

1

The government denies the presence of cleavages within Eritrean society along ethnic and religious lines. By claiming that all societal groups have equal rights and form an inseparable unity of Eritrean nationalists, the state conceals the structural discrimination faced by ethnic and religious minorities. The administration, the educational system and the military are dominated by the Tigrinya ethnic group, which comprises around 50% of the population. While the entire population is subject to political oppression and human right abuses, there is structural discrimination against the other eight ethnic groups, which are predominantly Muslim. The political leadership instrumentalizes ethnic and religious cleavages in order to maintain its power and political control. It also plays individual clans within ethnic groups against one another by dividing them into alleged government loyalists and alleged opponents. The political leadership declares existing cleavages to be taboo on the one hand, while exacerbating them on the other by marginalizing pastoral groups, using the western and eastern lowland regions to host large cash-crop agricultural projects or resettlements, suppressing the Arabic language as a medium of instruction and administrative language, and pursuing a controversial mother tongue policy.

Cleavage /
conflict
management

1

In the aftermath of the January 2013 military mutiny, which was led by a Muslim officer, Presidential Adviser Yemane Gebreab labeled the leaders of the uprising as Muslim fundamentalists, and various Muslim members of the PFDJ leadership, including the head of organizational affairs, the minister of mines and energy and the governor of the Southern Region, were arrested. This strategy exacerbated fear and mistrust among the few remaining Muslim members of the ruling elite and led to the defection of Minister of Information Ali Abdu and some middle-ranking Muslim government employees, which has further cemented Tigrinya domination in the party and the state apparatus.

The government has prevented the emergence of an independent civil society since coming into power, and has banned all NGOs and other civic groups with the exception of the former EPLF mass organizations (the National Union of Eritrean Women, the National Union of Eritrean Youth and Students, and the Confederation of Eritrean Workers). However, these are under strict government control, and do not play any role in representing the interests of the groups they should represent in theory. Their purpose is rather to impose the government's ideology on their membership; yet, they have not shown significant activities during the period under review. Traditional civil society, represented by religious and local elders and mediators, remain excluded from the political decision-making process. Private charities and religious civil society groups remain prohibited. The PFDJ claims to be the only representative of the society, and denies the existence of other interest groups. However, a new clandestine resistance movement called "Arbi Harnet" (Freedom Friday) emerged during past years. This movement, which strives for human rights improvements and democratization, has no chance of operating legally in the country and its activists face a high risk of being arrested and tortured.

Civil society participation
1

Historical injustices are ascribed to the time of Ethiopia's annexation of Eritrea and the period of independence struggle between 1961 and 1991. The current regime has committed countless atrocities against the population. It will be the task of a future government to achieve reconciliation between the current victims of the regime and the perpetrators.

Reconciliation
n/a

17 | International Cooperation

The government's aim is to achieve economic and social development through a strategy of self-reliance, a condition it evidently intends to achieve by recruiting the working-age population into the unlimited-term and poorly paid national service program to perform coerced labor for government- and military-led enterprises. Generally, the leadership considers international cooperation to be undesirable, considering it to create dependency. One purpose of the government's refusal to cooperate with international donor organizations is to deny expatriates access to the countryside, thus hiding the effects of its misled policies such as malnutrition, mass displacements, the use of forced labor in infrastructure projects, and so on. Foreigners, including diplomats, are not allowed to leave Asmara without prior permission by the Eritrean authorities. The only area where foreign investment is tolerated is the mining sector, where foreign companies from Canada, Australia and China have been granted exploration licenses. However, they are required to enter into joint ventures with the Eritrean National Mining Corporation (ENAMCO) and abide by its rules and regulations. Bisha mine, a joint venture of Canadian Nevsun Resources and ENAMCO, began operations in 2011. Nevsun is currently sued by a Canadian law firm for having been involved in the use of forced labor and for crimes

Effective use of support
1

against humanity. The firm acts on behalf of several Eritreans who claim to have been subject to forced labor in the construction of the mine.

Throughout 2014, numerous European countries experienced a dramatic rise in the number of Eritrean refugees seeking asylum. Although the rising number of refugees and the reasons for the increase were discussed during an EU-Horn of Africa conference in Rome held in November and during the visits of several European delegations to Asmara, it seems that no pressure was exerted on the Eritrean government to terminate the indefinite national service, the root cause of the exodus, and replace it with a viable long-term development strategy. This can be understood as the result of the ruling elite's continuous rejection of foreign political interference.

The government has no policies oriented toward democratic and market reforms. It has cut virtually all relationships with bilateral and multilateral donors, and has expelled all foreign NGOs from the country. Apart from the mining sector, where companies from Canada, Australia and China have invested, there are hardly any foreign investors. The only official investment agreement is with Italy, but there were no significant investment activities from that country during the period under review. All foreign investors are supposed to enter into joint ventures with Eritrean state companies or PFDJ-run enterprises. Canadian Nevsun Resources, which is running the only operational mine in the country, was involved in the use of forced labor during the construction of its Bisha mine and is currently facing a lawsuit in Canada related to the exploitation of national service recruits as forced laborers. The government has a long record of acting unpredictably toward international donors. It has expelled most bilateral aid agencies and NGOs, and in December 2011, it returned EU Commission funds accepted in 2009, originally earmarked for support of the agricultural sector and road maintenance, without giving an explanation. Thus, the government is neither considered credible nor reliable by the international community.

Credibility

1

The U.N. Security Council imposed sanctions on Eritrea in 2009 due to its support of militant organizations in Somalia and other neighboring countries and tightened them in 2011 due to the country's non-compliance with U.N. demands. The sanctions have not been lifted because Eritrea has failed to solve its conflict with Djibouti and has refused to return prisoners of war. Attempts by the government to revive its membership in the Intergovernmental Authority on Development (IGAD), which it suspended in 2007 have remained unsuccessful. Key IGAD members such as Ethiopia and Kenya have demanded that Eritrea join the AU peace mission AMISOM in Somalia before being readmitted to the organization. Eritrea remained a member of the African Union (AU) but did not actively participate in the organization's bodies. The "no war no peace" situation between Eritrea and Ethiopia prevails, but no military incidents were reported except for some minor insurgency activities by Ethiopia-based Eritrean opposition groups. There were no talks or negotiations between those governments, and the political stalemate persisted. Relations with

Regional cooperation

2

Sudan by and large remained positive and border trade, including contraband trade and human trafficking, flourished. Various bilateral agreements on economic cooperation in the fields of tourism, fisheries, agriculture and trade between Eritrea and the Sudan, Egypt, Saudi Arabia and Qatar have been signed during the past decade, but have not been implemented due to unpredictable presidential decisions and a highly restrictive economic environment. Relations between Qatar and Eritrea have cooled significantly since Emir Sheikh Hamad bin Khalifa Al Thani passed the office to his son in 2013; this was also due to the lack of progress in the peace process between Eritrea and Djibouti, which was mediated by Qatar. Thus, currently Eritrea's only friend in the region is Sudan's president Omar al Bashir.

Strategic Outlook

Since 2001, the Eritrean government has pursued a destructive strategy that has blocked democratization and strangled the economy through control by the ruling PFDJ and the military. In the aftermath of the border war and the political crisis of 2001, President Afewerki has deliberately dismantled the existing institutions such as the ruling party PFDJ, the military as an institution, and the mass organizations of youth, women and workers. The militarization of society, including the practice of unlimited-term conscription into the army and the national service continued, unabated, and hundreds of thousands of Eritreans have been serving for up to two decades without earning salaries substantial enough to make a living or sustain a family. This has further fueled the mass exodus among youth, which culminated in thousands of Eritreans fleeing their country in 2014. Both the health and educational sector have suffered severely from the flight of teachers, doctors and nurses. The government has failed to evaluate the root causes of the exodus – this has instead been done by the Catholic bishops of Eritrea in a Pastoral letter they published in May 2014. The president made it clear that he continues to demand self-sacrifice from the population as a legacy of the independence struggle, while corrupt high-ranking military officers and other officials profit directly from these developments by engaging in inhumane human trafficking enterprises.

The government has also failed to stop the downward spiral of the economy. In spite of an estimated \$1 billion income from gold and copper mining since 2011, it was unable to import fuels necessary to provide electricity, public transport, or kerosene for cooking purposes. It has been unable to contain the widespread poverty and malnutrition, or to provide a sufficient amount of basic consumer goods at affordable prices. It did not give up its stated goal of achieving self-reliance (in the sense of autarky), but remains far from achieving this aim. Eritrea's relations with foreign donors remain poor. The private economy remained suppressed, while military officers and high-ranking party officials continued to engage in self-enriching practices with impunity. Due to the absolute lack of transparency, it is unclear how revenues from the mining sector have been spent. It is highly probable that large parts of these rents ended up in bank accounts belonging to the president or party and military elites. The leadership maintains its cynical approach toward human rights and liberties and refused to cooperate with the UN Special Rapporteur, appointed in 2012, on the human rights situation in Eritrea.

The government continued to use the targeted sanctions imposed in 2009 and 2011 to call for a “resolute national rebuff” among the diaspora population, which is de facto a fundraising campaign for the government's coffers. On the other hand, civil society groups in the diaspora have been able to raise awareness among their host countries about the 2% income tax imposed on Eritreans residing abroad, as this is often extracted through coercion and may be used for purposes prohibited under the U.N. sanctions regime. Apart from these activities, the opposition remained fragmented and without a convincing program for democratic change and economic liberalization. The incidence of armed insurgency by militant opposition groups organized along

ethnic and religious (Islamic) lines remained low during the past two years, possibly due to a lack of encouragement from Ethiopia, where they are based. Possibly, Ethiopia's Western allies have discouraged Ethiopia from supporting armed Eritrean insurgencies in order to avoid a breakdown of the Eritrean regime out of fear of the "Somalization" of the country. The complete lack of civil society institutions and the extremely high levels of oppression inside Eritrea have long obstructed the emergence of internal resistance movements. However, in the aftermath of the 2013 mutiny, an underground movement called "Arbi Harnet" (Freedom Friday) established itself as a small but active resistance movement that distributed an underground magazine and pamphlets.

The president's popularity remained extremely low, especially among disadvantaged minorities and youth. The diaspora remained divided between staunch PFDJ supporters and a fractioned opposition camp.

For rapidly increasing numbers of young Eritreans, leaving the country seems to be the only way to protest the regime's policies and strive for a decent life, in spite of the dangers en route to their destinations. The president's physical health improved, and there were still no mechanisms in place for his succession. His highly personalized style of authoritarian rule makes the outbreak of power struggles within the ruling elites (party and military) probable should his condition deteriorate in the future. This implies different possible scenarios, such as violent conflicts among factions of the competing military leadership and, in the worst case, a civil war because ethnic and regional affiliations are the only possible way to mobilize the population.

The international community's impact on the internal policy of Eritrea is very limited, and there has been no consistent pressure on the government to reform its economic policy, end its strategy of militarization and introduce democratic reforms. Pressure has been confined to containing its militant foreign policy, and the sole aim of the sanctions is to prevent Eritrea from arming insurgent groups in the Horn, which has been partially achieved. The leverage of the international community through which to influence the internal policy of Eritrea is limited due to the government's rejection of aid and economic cooperation, a policy which may lead to the implosion of state structures and state failure as a medium-term consequence due to its disastrous side effects, especially the mass exodus of the young generation. In recent times, the dramatic increase in the numbers of Eritreans seeking asylum in Europe has attracted the attention of the governments in the states where they are seeking refuge. Yet, instead of pressuring the Eritrean government to reform, especially in regard to national military service, European governments are either trying to whitewash the situation on the ground in Eritrea and thereby limit asylum claims (Denmark) or are engaging in makeshift training projects for Eritrean youth, without seeing to proper payment for post-graduates (Norway). The international community has also failed to reinstate efforts to bring the Eritrean and Ethiopian governments to the negotiating table with the aim of finding a solution to their unsolved border problem. If Ethiopia could be convinced to implement the border decision of 2002, the Eritrean government would lose its justification – the alleged international conspiracy against the country – for the decade-long enslavement of its population in the national service. This might at last clear a way for long-overdue reforms.