



Evolving Eritrea-India Bilateral Relations: Opportunities and Challenges

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ABSTRACT

The purpose of this article is to examine the broad contours of Eritrea-India relations in the past two decades, and in turn to stimulate further academic and policy researches with specific focus on the opportunities and challenges. To this end, secondary and primary sources have been thoroughly referred. Eritrea-India relation was formally established when Eritrea emerged as an independent sovereign state on May 24, 1993. Since then, both countries shared multi-dimensional relations, but with very limited results. India has provided manifold assistance to Eritrea in areas, such as agriculture, education, and science and Technology. India's engagement with Eritrea also extended to technical assistance, training and capacity development under the framework of South-South cooperation. Recent development in trade and various investment initiatives are also a reflection of the new stride in the bilateral friendship. In addition, Eritrea has been hiring a great number of skilled labour from India. However, the bilateral relations is not always without estranges. Trade imbalance, restrictive monetary and fiscal policies and Eritrea's more closeness to China are among other fault-lines. The balance sheet of the two states bilateral relations however proves the positive gains from the current diplomatic impetus. Finally, the researchers suggested to Eritrea and India to make more effort to bit back fences against the curve of evolving bilateral relation and avoid obsolete mechanism which is purely interest driven.

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Introduction

Eritrea's relationships with India have been evolving since 1993. This relation was conceivably inevitable because Eritrea was primarily established under more tenuous social, political, agricultural or amalgam of several other problems. Eritrea emerged as independent sovereign state on May 24, 1993 following thirty years of struggle for independence against Ethiopia. The new government received completely devastated economic settings and totally ruined infrastructure. Food shortage, frequent famine, war dilapidated economy and water supply problem were few among other dares. Communication and transport problems had also their own tolls. On similar line, Eritrea struggled to face lingering problems in trade and foreign direct investment (FDI) as prerequisites of survival and economic rehabilitation process. Lack of accesses to education, barely developed human capital, widespread poverty was also priorities of Eritrean government to be wiped out despite the obvious challenges of funds. The equation of bringing lasting solution to all these hiccups and ensuring sustainable development invoked the attention of Eritrean policy makers. As a result, Eritrea adopted independent foreign policy and partnership based on mutual respect and equality, and the Eritrean-India bilateral relations have stemmed from these precedents.

India, often referred as a sub-continent, at the other end, is a large and fast growing country, this is in terms of geographical influence, human capital, and gross domestic product (GDP), science and technology and military. India has

a total population of 1.2 billion whereas the small nation in the Northeast of Africa, Eritrea, has only 4.5 million, with GDP per capita of US\$ 2,900 and US \$200.45 respectively.¹ Unarguably, India is a formidable power in Asia next to China. Whereas, Eritrea is amongst the poorest countries in the world, 80% of its entire population is heavily rely in agriculture activities for their livelihood. As far as the educational infrastructural development concerns, Eritrea has barely developed educational infrastructural settings comparing to relatively well established Indian education system which Eritrea can get more lessons. Militarily, India has been playing a game changer role in Asia and particularly in the South Asian.² On the other hand, Eritrea is in its infancy stage although the country lies in the most contentious part of Africa. In short, both countries belong to developing countries but in the two extreme ends.

¹ "Eritrea: The worldfact book," The World Bank, Accessed December 1, 2015, <https://www.cia.gov/library/publications/the-world-factbook/geos/er.html>,

² Mohd A. Karim. "Bangladesh Dilemma Because Traditional Security and Development issues in the Regional Environment." (Paper presented during the 20th World Congress, Fukuoka, Japan, July 9-13, 2006. http://paperroom.ipso.org/papers/paper_5164.pdf

The objective of this article therefore is to critically examine the historical retrospect of Eritrea-India relations and explore more grounds for the bilateral relations to continue into the future beyond the existing parameters. Intensive investigation attempt was carried-out to make shows on the relevance of bilateral relations with specific focus on opportunities. It would also highlight the main challenges to evolving bilateral relations especially with regards to finger areas-trade, investment, education, science and Technology, and human capital development. Finally, it suggested to Eritrea and India to make more effort to bit back fences against the curve of evolving bilateral relation and avoid obsolete mechanism which is purely interest-driven.

Historical Background of Eritrea-India relations.

The people of Eritrea with desire to live in peace and friendship with their immediate neighbors and the rest of the world, and for their purpose to overtake all causes of deprivation adopted independent foreign policy as clearly enshrined in its drafted but not implemented constitution of 1997.³ Its root stretched back to EPLF manifesto. Henceforth, Eritrea has been in contact with many countries. Eritrean-India relation likewise evolved within this context and it has shown many strides even if more work is needed for its expansion.

Eritrea and India relations perhaps evolved during Axumite civilization.⁴ During those days, the nature of ties presumed to be limited more in trade and commercial amid cultural and other forms of exchanges.⁵ But not that much evidence is available to depict the trends of relations following the collapse of Axumite kingdom since the remarkable civilization sank down by combined factors, such as Beja expansion, rise and expansion of Islam to the Red sea region, internal insurgencies and environmental degradation. Between the 16th century and the 17th, however,⁹ Indian traders were present along the Red sea shores and heartland of Eritrea.⁶

The political and military alliance between Nazi Political party of Germany under Adolf Hitler and Fascist political party in Italy under Benito Mussolini, as main instigators of World War II (WWII) and as parties with the same cherished goals, had also its own implication on Eritrean-India relations. Between 1935- 1936, Italy's palpable invasion of Ethiopia dethroned Emperor Haile Selassie of Ethiopia, and this episode brought general public indignation amid the League of Nation inaction to protect Ethiopia.⁷ In 1941, however, Italy was evicted first from Eritrea and then after from Ethiopia by combined forces of British colonial

³ The national assembly adopted the defunct constitution of Eritrea in 1997. This constitution embodied itself with bright textures. Art.13 in particularly puts Eritrea's vision toward regional and international peace, cooperation and peace.

⁴ Richard Pankhurst, *An Introduction to the Economic History of Ethiopia from Early Times to 1880* (.Kent: Staples Printers Limited,1961),13.

⁵ Richard Pankhurst, *Across the Red Sea and Indian Ocean: A history of Ethiopian-Indian Relations from Ancient times to the end of 18th c.* (Staatliches Museum Fur Volkerkunde Muslem:Indien.Regigen der Gotter. Munchen; Staatliches Museum fur Volkerkunde, 1998),117-126.

⁶ Kuruvilla Mathews, *Indo-Ethiopian relations: Emerging trends.*(New Delhi: Manas Publications,2010), 183.

⁷ Cozier J. Andrew, *The Causes of the Second World War* (Oxford Blackwell Publishers, ISBN 0631171282,1991) 108

army, Free French army, Eritrean soldiers and Ethiopian patriots.⁸ During this time, the role of Indian divisions in Eritrea against Italian Fascist regime was spectacular. They played a phenomenal role particularly during the most dreadful, and indeed land marking battle of Tinkulhas on March 27th 1941. But, it was not an easy victory. Around 5000 Indian soldiers were either killed -or remained maimed, and the remarkable story has remained alive to this day in Keren.⁹

Eritrea and India have also a long history of cooperation, especially in the field of education and human resource development. During Haile Selassie government in Eritrea, many Indians were working as teachers in many Eritrean high schools.¹⁰ The rise of Mingustu Hailmariam through bloody revolution in September 1974, however, ruined the era of cooperation. The new leadership expelled many Indians who had been working in many sectors. The decision of extradition was taken under the framework of Ethiopian socialism.¹¹ As a result, the Indian Diaspora presence in Eritrea reduced to its minimal level until the end of the most repressive and brutal regime from Eritrean soil by EPLF in 1991.

Post-Independence relations

From the very beginning, Eritrea and India tended to cultivate friendly relations. Soon after the UN recognized referendum, which took place on April 23-25, 1993, India formally recognized the independence of Eritrea. Henceforth, the relations extended to many areas. In 1995, P N Bhagwati, ex-Chief justice of India, paid visit to Eritrea to extend his hands in capacity building, especially in legislative drafting. India also offered technical support in agriculture, education and health through the Indian Technical and Economic Cooperation (ITEC).¹² In addition to this, in 2003, India gave 5,000 metric tons of wheat as humanitarian assistance package. Similarly, Eritrea received 1500 metric tons of wheat and 200 metric tons of sugar for the same purpose.¹³ In 2009, the government of Eritrea had also franchised a concessional line of credit of \$20 million for educational and agricultural development projects.¹⁴ And this provides a hint to a broader objective of India in Eritrea. Undoubtedly, India has a clear geo-political and economic objective in Eritrea other than emphasis only on accesses to natural resources. A recent India's approach and activism toward Eritrea can be also seen as a proper response to China's African policy. However, Eritrea's rapidly growing demands for various Indian merchandized items and Eritrea's quest for favor against the curve of isolation caused by the United Nation Sanction since 2009 have also a direct impinge on these two states bilateral relationship.

Dealing with the defunct International System is also another dominant unifying element of the Eritrea-India

⁸ Gerald .K. Trevaskis, *Eritrea: A colony in Transition, 1941-1952* (London: Oxford university Press,1960), 98

⁹ Mathews, *Indo-Ethiopian relations*,185.

¹⁰ Chatterji, SK. , *India and Ethiopia:From the seventh century B.C.Kokata* (The Asiatic society.1968), 68.

¹¹ Mathews, *Indo-Ethiopian relations*,185-186

¹² Ravinder Rena, "Lessons of Indian Experience for Eritrea," MPRA ,(2006):accessed on December 23, 2015. Online at <http://mpra.ub.uni-muenchen.de/10573/>

¹³ High Commission of India. *Indio -Eritrea Relations.Annual Reports*, July, 2005,1-8.

¹⁴ "India-Eritrea ties will strengthen: President Mukherjee." *Times of India*, May 23, 2015.

relationship in global issues in the last two decades and so. Eritrea and India have placed significant focus on harder situation demands of the international system. Both sides demand an international world order that reveals the realities of the turn of 21st century, including strengthening the United Nations and international financial institutions. Eritrea and India publicly have recognized that they are unfairly or badly served by the International System which they see it as being completely outdated and depilated vestige of the post-second world war provisions. Nevertheless, the two states cognize the need for greater understanding, consultation and cooperation in order to befit with seismic shift that has been taking place in the contemporary world politics.

India's free and fair diplomatic play with many African countries and likewise with state of Eritrea has also played a significant accelerating role to Eritrea-India relations. Since Independence in 1993, India's large commitments of concessional loans, assistance, fast growing ties in trade and investment took shape without any political conditionalities and this suits with Eritrea's foreign policy framework. Eritrea always values its foreign policy directives, and makes it as the benchmark of its engagement or cooperation with the outside world. In line with this, India like China squarely understands Eritrea's unwillingness to accommodate political pre-conditions which is usually set by western countries in dealing with Afro-Asian and Latin-American countries. Some see India's rapprochement from its inelastic demand for Eritrea's natural resources. At the other end of the continuum, Eritrea considered the bilateral ties as largely benign, providing an important stage for further enhancement of the level of cooperation between the two sisterly countries.

A more recent India's look-African policy is also another very essential element to bring in qualitative changes in Eritrea-India relationship. The Indo-African summit which took place from 26 to 30 October in 2015 in New Delhi had a great impetus on the establishment of a new partnership between Africa and India.¹⁵ At the summit, there were high scale delegates almost from the entire continent. The conferees reflected the symmetrical nature of the relationship and mutual respects, and brought a substantive change in the existing ties. In the occasion, Osman Saleh, Foreign Minister, highlighted Eritrea's keenness in fostering bilateral relationship with India in sectors, such as human resources development, transport and communication services. Indeed, this is in addition to agricultural and food processing sectors.¹⁶ The Indian initiative to African individual states or at a pan-African level however is not free from criticism though many perceived it as an opportune. The newly formed Indian foreign aid package to African states, particularly, presumed as anomalies and ambiguous. Besides, the Indo-African exiting agenda lacks a blue print plan on the way forward.

With regards to bilateral visits, Eritrea and India began their formal high ranking level talks after P.N. Bhagwati flew to Eritrea to participate in legislation drafting conference.¹⁷ A reciprocate high level visit from Eritrea, however, taken five years later when Arafaine Berhe, Minister of Agriculture visited India in 2000 and again in 2001. Eritrea's Minister of

Transport and Communication has also visited in August 2001. The relation was further boosted when Mr. Osman Saleh Mohammed, former Minister of Education and the current Minister of Foreign Affairs and Mr. Arafaine Berhe paid visit to India in June 2006. On their arrival, they met India's Minister of Agriculture, S.S. Pawar, and a Memorandum of Understanding (MOU) was signed on agricultural cooperation with the Indian Council for Agricultural Research (ICAR). A further step was also taken when Mr. Arafaine Berhe again visited India in 2007 and 2008. Mr. Osman Saleh, likewise, visited to India several times since 2011. In 2015, he participated in the 3rd India –African summit. A breakthrough in bilateral visits from India side indeed came when India's high commissioner to Kenya visited Asmara in October 2011 and March 2012. During the first visit, he met Mr. Arafaine Berhe, Minister of Agriculture and Mr. Osman Saleh, whom by then was the Minister of Education. High commissioner also visited to historic British colonial army martyr's cemetery center in Keren to pay homage to the WWII heroes.

However, the post-independence bilateral relationship between Eritrea and India did not limit to areas of high politics as we highlighted in the previous sections; they have also a marked progress in areas of low politics as significant emphasis is given to people-to-people contact. There is sharply increasing demand of Indian skilled labours by Eritrea to overhaul human resource challenges in Eritrean schooling system. The establishment of Indian expatriate community in Eritrea is a significant step to the further enhancement of the two state cordial relations. The launch of Indian Community School in Eritrea's capital, Asmara, is also another very essential example that provides flesh to the existing bilateral ties between the two people, and provides evidence on how far the people-to-people interaction is striding.

Potential Areas for Cooperation and Partnership

A. Agriculture

By necessity, Eritrea and India have long given their bilateral cooperation high priority than other areas. The Rome Agreement (March 2008) signed between the government of Eritrea, India and Food and Agricultural Organization (FAO), was the first stepping stone and paved a new vista of cooperation and engagement. In pursuance of this agreement, India sent 100 agricultural experts. This group of experts had been assisting Eritrea in its agricultural sectors modernization efforts, particularly in finger areas such as, conserving and enhancing soil fertility, crop production, small animal production and aqua culture.¹⁸ In December 2000, Eritrea and India also signed a memorandum of understanding of cooperation in agriculture, research and education. The agreement was signed by Mr. Arafaine Berhe, Minister of Agriculture, and secretary, Department of agricultural Research and Education, India. As per the agreement, India emerged as the main partner in Eritrea's agricultural development projects by helping in the efforts of agricultural productivity enhancement. Immediately after the agreement, India sent four key experts and 25 technical assistants. India also maintains a good wish to further undertake in those sectors upon request.

¹⁵ "Foreign Minister attends India-African Summit," *Eritrean Profile*, October 31, 2015.

¹⁶ "President Received invitation from Indian Prime Minister". *Eri-News*, Vol.2, Issue 21, September 2016.

¹⁷ High Commission of India. *Indio*, 4-6.

¹⁸ Abhyankar M. Rajendra, *West Asia and the Region: Defining India's* (Academic Foundation, New Delhi, 2008), 529.

B. Education

India has been giving 8 scholarship opportunities every year to Eritrean students who wish to pursue their MA or PHD studies in different Indian Universities. The program is fully funded by the government of India through the Indian Council for Cultural Relations (ICCR) scholarship scheme though mostly remained unutilized. In addition to, Eritrea receives 20 technical training offers every year under the Indian Technical and Economic Cooperation (ITEC) program. The aim of this program is to help the newly born country to take on its development challenges. This corresponds with acute demands of Eritrea. Eritrea squarely presumes that education is a key tool in transforming backward agricultural dependent into self-sustaining. From this understanding, basic education, since independence, became free and available to all citizens regardless their own socio-economic background, age or any other denominators.¹⁹ But, Eritrea's effort to the end of the complex whole transformation issue is far from complete. At the same time, Eritrea cannot be able to exploit the opportunities from Indian government with full scale. Hence, Eritrea has to adopt substantive strategy to contact with different Indian Institutions to create more rooms to Eritrean scholars to draw lessons from already established Indian universities or research institutions.

India is also home to many self-financing Eritrean students. Every year, around 100 self-financing Eritrean students, who are residing in the Middle Eastern countries and in some other African countries, have been heading to India. In the academic year 2013/14 alone, Osmania University, hosted around 40 Eritrean students and many more were in many other Colleges within Hyderabad.²⁰ Among others, the Hyderabad culture, climate, low living cost, religious fabric of host community and the overall tolerance of host community towards foreigners irrespective of their origin, colour and religious attachment, are the factors to gravitate Eritreans to Hyderabad city.

Pan-African e-network project, part of South –South Cooperation, was also a great leap forward in Eritrea-India bilateral relations. The project was sanctioned by Shri.S.M.Krishina, external affairs minister of India on the 16th of August in 2010. The idea originally came from 'the missile man', A.P.J.Abdul Kalam.²¹ The overall objective of Pan-African e-network project in Eritrea like in other African countries is to assist in capacity building. The Project started its operation in August 2010. Since then, the project provides Tel-education and Tel-medicine services from its two stations- Asmara and Mai-nefhi. So far, 69 students have successfully completed their diploma and Master's degree programmes and its impact is commendable. In addition to, Eritrea has 33 students who are currently pursuing their Masters in Finance Control (MFC), MBA-International Business (MBA-IB) and

¹⁹UNESCO,eds., *Eritrea: World data on Education*. 7th edition, International Bureau of Education, VII.Ed, 2010/11:1-14, http://www.ibe.unesco.org/fileadmin/user_upload/Publications/WDE/2010/pdf-versions/Eritrea.pdf.

²⁰ Osmania University, *Foreign Students Annual Statistics*, 2013/2014.

²¹ A.P.J.Abdul Kalam, 'people's president', 'the missile man', was India's first selfless president from 2002 to 2007, known for his humility and encouragement. He was also known for his optimism and energy. Kalam was also an incredibly magnanimous scientist ever since the history of India.

MSc-Information Technology (MSc-IT) studies through this project.²² For more details, see table 1 and table 2.India is also keen and prepared to take further steps towards human resources development in Eritrea.²³

Table 2. Pan-African e-network project offered courses at Eritrea Institute of Technology

S.NO.	Programmes offered	Total Student graduated
1	MSc –IT	15 (2batch)
2	Post Graduate Diploma in Information Technology	18(2batch)
3	Diploma in Information Technology	14
4	Diploma in business Management	22 (2 batch)

Sources: Eritrea Institute of Technology, ICT Unit, 2016.

Table 3. Pan-African e-network project offering courses at Eritrea Institute of Technology

S.NO.	Programmes being offered	Total student size
1	Masters in Finance Control	14
2	MBA-International Business	10
3	MSc-Information Technology	9

Sources: Eritrea Institute of Technology, ICT Unit, 2016.

For almost two decades, the role of Indian skilled labours to the upliftment of Eritrea's educational system has also been the centerpiece of Eritrea and India bilateral relations. According to the High Commission of India in Nairobi, India has around 1200 communities living in Eritrea.²⁴ Most of them work in the ministry of Education as teachers and lecturers, and their contribution is well recognized. After the restructuring of the University of Asmara into different colleges particularly, Indian Diaspora presence has shown a sharp increase, and have been doing a meaningful contribution. Currently, Eritrea Institute of Technology (EIT)²⁵ alone has 70 Indian faculty members who are working in different streams with various capacities, and around 36 new faculty members have arrived few days before.²⁶

A. Trade and Investment

Eritrea-India trade ties, however, have been fairly progressive over the last two decades. India is a hub to Eritrea's import items, especially electrical and various engineering equipment, drugs, cotton yarn, fabrics and some food stuffs. Eritrea is also among other least developed countries that are qualified by Indian government to gain benefits from preferential treatment in trade since 2008. This is a unilateral action taken by India to avoid the staggering increase in trade deficit and other trade strains with less developed countries, and thereby to promote sound trade links. The scheme encouraged Eritrea to export merchandized items, such as leather, hides and skins. From 2014 to 2015, Eritrea-

²² Eritrea Institute of Technology, *Information and Communication Technology*, annual reports, 2015.

²³ Semere Petros, informal interview by authors, January 03, 2016.

²⁴ High Commission of India ,Nairobi, Kenya. "India-Eritrea Relations." Accessed December 12,2015.

<http://www.hcinairobi.co.ke/india-eritrea-overview>

²⁵ Eritrea Institute of Technology is the leading institution in the country following the restructuring of the University of Asmara into different colleges and Institutions in the year 2004.

²⁶ EIT, Annual Report,2016

India trade ties hiked up to reach around \$244.73 million.²⁷ Nevertheless, Eritrea has more to do in order to fully exploit the privileges under the term of preferential treatment, and thereby to reduce the imbalance in the bilateral trade.

While Eritrea-India trade and commercial ties have been fairly progressing over the last two decades, bilateral investments curve however shows no substantial move. Except Essel Group in Middle East (EGME), Indian companies are unable to make any footprint in Eritrea. EGME acquired the Bada potash exploration license through its auxiliary Inter mining and trading, and is making a good stride. According to the company's action plan, its target will be achieved by mid-2016.²⁸ A preliminary agreement has also reached between the government of Eritrea and India to establish polytechnic plant.²⁹ Eritrea and India, however, have many other potential areas for joint-ventures other than mining, especially areas such as, health sector, infrastructural development, textile industry and education.

B. Peace and Security

India had played a pivotal role to deescalate the border conflict between Eritrea and Ethiopia. Following the Algiers Agreement, signed on December 12, 2000, India contributed more than 1500 soldiers in the United Nation (UN) mission for Eritrea and Ethiopia. Maj. Gen.R. Singh, Indian, had also played a leading role in UNMEE following Maj.Gen.R. Gordon (UK) as a chief force commander in Eritrea and Ethiopia.³⁰ The Indian role in this context was taken from its ideal of fraternity embedded in its Constitution (Art.51) and the basic principles of India's foreign policy- promotion of international peace irrespective of other countries economic or political system.³¹

With regard to regional peace and security, the two sides have also potential areas to be unearth further and perhaps regarded as missed opportunity in the past two decades and so. In the first place, the two states share the same security threats along the confluence line of the Red Sea and Indian Ocean, Bab-el Mandab Strait, after the Yemenis crisis fully blown into unending political discord. For both states, this passage is a source of livelihood, serves them as a get way to the rest of the world. Besides, the strait functions as a main world oil shipment pass and its implication especially to Indian oil supply security is far from easy. Hence, the two sides should have to show commitment to avert the widely prevailing condition in the region; thereby to bring a meaningful contribution to its doggedness.

As Eritrea-India par say and position against lethal provocation by terrorist and pirates' in the region is the same, the two states should seek ways to participate in ground. Formal steps for bilateral engagement would smoke out the security breaches in the horn of Africa. It is undeniable truth

²⁷ High Commission of India to Kenya. "Economic and Commercial link." Accessed December 12, 2015.

<http://www.hcinairobi.co.ke/india-eritrea-overview>

²⁸ Essel Group Middle East, 2015. "Essel Group Middle East acquires Potash Mines in Eritrea." Accessed on 2016.

<http://www.esselgroup.com/essel-group-middle-east-acquires-potash-mines-in-eritrea.html>

²⁹ Semere Petros, informal interview, 2016.

³⁰ Rajandra. M., West , 529.

³¹ Sindha Atish and Mohta Madhup, *Indian Foreign Policy: Challenges and Opportunities*. (Foreign Service Institute, 2007), 498-499.

that Indian portal naval force have been providing escort and security help to Indian and non-Indian merchant ships.³² However, India needs cooperation, consultation and coordination with Horn of African states, such as Eritrea and Djibouti otherwise cannot fully discharge its role in the region. It must have interaction over the issue of capacity building with all these states lining along the Northeast African coast with regard to anti-pirates operations in order to invigorate the security.

E. International issues

Eritrea and India convergence on some global issues is also another sign of positive turn, especially on the reform of United Nations (UN). Since 1979, India has been urging for the Security Council to be reformed, equitable representation to be set forth, financial power as basement of qualification for permanent Security Council to be annulled, and anachronistic and undemocratic trends veto right to be eliminated.³³ In line with this argument, India together with South Africa and Brazil once noted its indignation against the existing system in the following words: 'a new world order whose political, economic and financial architecture is more inclusive, representative and legitimate'.³⁴ This position illuminates how India has been staunchly supporting the institutional reform package put forward by the former UN Secretary-General Kofi Annan.

Eritrean delegation to the UN headed by Mr. Osman Saleh, during 68th session of the United Nations General Assembly likewise agreed with this view of reform package of the UN.³⁵ The Eritrean government particularly rejects unlimited intervention in the internal affairs of other sovereign countries by major powers and financial institutions such as, World Trade Organization (WTO), World Bank and International Monetary Fund (IMF). Eritrea also strongly rejects politically motivated resolutions, media squabbling and demonization efforts which are directly or indirectly linked to international institution.

"Our choice, like those of other peoples, has been and remains the funneling of efforts towards expediting the reform of the United Nations." said Mr. Osman Saleh³⁶

The two countries also share the same views on areas such as, human rights, human trafficking and brain draining against UN Human rights council reports. Nevertheless, the two states did not show commitment to work on practical ground. The critics against India usually revolves around the following finger areas: freedom of speech, the question of Dalit and tribal communities, Muslim and Christians minorities, threats of violence by ultra nationalist groups, sexual abuses, women's right, human trafficking etc.

Controversies are also over the role of some political parties and political figures for their alleged role in communal

³² Rajiv Bhatia, "Horn of Africa: why India should care more" *The Hindu*, December 17, 2010.

³³ Gupta K.R., *Reform of United Nation*. (Atlantic Ltd, 2006), 47-67.

³⁴ Ministry of external affairs, Government of India. *IBSA Ministerial Joint Statement*, New York September 23, 2011,

<http://mea.gov.in/bilateral-documents.htm?dtl/5103/IBSA+Ministerial+Joint+Statement>.

³⁵ "Statement by Mr. Osman Saleh during 68th session of the United Nations General Assembly," September 30, 2015.

³⁶ Ibid.

riots.³⁷ Fundamentally speaking, India accepts some parts of the allegation put forward, but strongly rejects any attempt to intervene in the internal affairs of India in the name of human rights. From the outset, India has set up its own independent National Human Right Commission since 1993 which is entrusted for protection and promotion of human rights in India.³⁸ Similarly, Eritrea accuses the UN and western countries for causing senseless vandalism on Eritrea's national development programs by inciting a heinous sabotage in the name of human rights.³⁹

India's loss for strategic goals

Another very important variable for further enhancement of Indo-Eritrea bilateral friendship is India's loss for strategic goals. India recognizes the need of various resource materials for its fast growing economy. In addition to this, India as an emerging country with robust population size has geo-political and economic competition with its rapidly growing neighbor, China. In the last ten years, China and India become important competitors in Africa and likewise in Eritrea by outsizing EU and US.⁴⁰ But current status entails that India's presence in Eritrea in terms of magnitude of engagement is highly over powered by China. Eritrea could be utilized as an ideal launch pad for India's wider African agenda in terms of geo-strategic calculations and peaceful investment climate unlike other African countries. Eritrea has a potential geographical location and favorable agricultural features that could be harnessed.

G. Medical tourism

Indian medical tourism is also in the forefront to bring a qualitative change in the two countries future bilateral relationship. Indian healthcare services sector leaps ahead of Eritrea in all aspects, and Eritrea has many to learn from India to beef up its barely developed health institution. The great leap in Indian health sector has the following positive advantages over other medical tourism destinations in the region for Eritreans: low cost, adequate and high quality medical technology, absence of language barriers, cultural similarity and less restriction in visa process. For these reasons, many Eritreans attracted to resort to India for medical treatment due to inadequate health facilities at home, particularly in areas like eye surgery and fertility problems rectification. In the fifteen years from 2000 to 2015, more than 200 babies were born in India from Eritrean families, who were previously suffering from fertility problems, after special medical treatment in India.⁴¹

H. Eritrean people's positive posture

Eritrean people's positive posture toward Indian diaspora in Eritrea is also unique advantage to further reinvigorate the

³⁷ Human Right Watch, Annual Review of Human Rights across globe, *Human Right Situation in India*, 2014, <https://www.hrw.org/world-report/2015>.

³⁸ *Annual Report, 1993-94*.

³⁹ "Tefamichael Gherhatu debate, 2015 during Human Rights Council Report on Human Right Situation in Eritrea during 24th Meeting 29th Regular Session of Human Rights Council." Last modified June 24, 2015, From interactive dialogue session, <https://www.youtube.com/watch?v=kiDZsu4LOmQ>.

⁴⁰ Lintao Yu, "Competition in Africa? China and Indian both aims to exchange resources and boost development." *Beijing Review*, January 7, 2016.

⁴¹ Petros, January 3, 2016

overall attachment. Indian diaspora in Eritrea have never subjected to any form of intimidation or violent threat. This attitude is not born overnight. It is a manifestation of the long time friendly connection shaped by historical inheritance, geo-political links and shared cultural traditions since time in memorial. However, neither India nor Eritrea took the advantage to further boost the cultural and people-to-people ties. With this help the bilateral relationship between the two states would acquire both breadth and depth.

Challenges

Nonetheless, Eritrea's relations with India to be extensive and intensive more than the present situation, certain grey areas should be remedied. Trade has been vexing issue. For almost two decades, the bilateral trade balance sheet has been in favour of India despite India's preferential treatment for merchandized items exported from Eritrea.⁴² India has consistently been the largest source of imported items to Eritrea. According to the Department of Commerce of India, Eritrea-India bilateral trade ties exhibited sharp increase from 2005 to 2012. Between 2011-2012, however, India's imports from Eritrea acquired high profile which estimated to \$10.36 million. More recent statistical figures also show staggering increase in Eritrea-Indian bilateral trade.

Table 3. Annual Eritrea-India trade exchange, selected years

Year	Major Eritrean import items	Major Eritrean export items	Total Trade
2005-06	8.18	0.99	9.17
2006-07	6.65	0.34	6.99
2007-08	110.26	1.48	111.74
2008-09	16.86	6.47	23.33
2009-10	29.34	0.17	29.50
2010-11	24.50	0.75	25.25
2011-12	31.52	3.35	34.88
2012-13	18.99	10.9	29.89
2013-14	16.45	4.85	21.30
2014-15	14.05	230.68	244.73

Source: India. Department of commerce Eritrea-India trade (US\$ million)

Another thorny issue, especially in trade and investment relations, is the monetary and fiscal policy issue. From the outbreak of the border war in May 1998 up-to-date, Eritrea tended to adopt a commanded economy policy along with very restrictive monetary policy, with government hands in most economic fronts. The free play of market was largely restricted. The government has been playing a pivotal role on combating price instability, unnecessary competition and public welfare. Unfortunately, however, all these efforts could barely bounce the war ravaged Eritrea's economy. The underground economy grew with staggering rate. Similarly, inflation reached its maximum heights. The nation's currency Nakfa depreciated and Eritrea confronted with foreign currency shortage. In the last three years and more, the exchange rate of Nakfa to Dollar in black market has been oscillating between 53 and 55, whereas the official exchange rate being \$1 to 15.75 Nakfa. At the time of this writing, however, a new monetary regulations and new currency are being issued, and seems promising for better future against aforementioned dares.⁴³ A new fiscal rules are also replacing the defunct once. As a result, market price has begun to show

⁴² Rena R., 2006.

⁴³ "National Bank Issues Legal Notice: Legal notice Number 124/2015," *Eritrean Profile*. November 07, 2015.

positive trend. In the general public sphere the action gave rise to high optimism, but the next step matters.

Attempt to underestimate the negative impacts of the unavailability of adequate banking and financial facilities similarly eclipse the truth in ground. The low level of financial settings development in Eritrea has continued to limit investment opportunities in sectors, such as agriculture, mining, tourism and fisheries, which have potentially high regional spill-over effects to spur economic transformation and foster inclusive and sustainable development. Eritrea's financial system is shallow and narrow that has result in low average level of credit extension to private sector and the interest rate is administered by the government, no free play of market.

Eritrea's closeness to China is also other possible matter of concern to India's approach toward Eritrea. China is a traditionally trusted friend to Eritrea since the inception of Eritrean armed struggle for independence in the early 1960s.⁴⁴ China has also been playing a significant role in the post-independent Eritrea's socio-economic reconstruction process. Similarly, Eritrea showed convergence in many global issues with China rather than with India.⁴⁵ Sino-Eritrean trade ties and China's preferential treatment on Eritrea's merchandized item is also another centerpiece of the two state bondages. The over expansion of Chinese companies in Eritrea equally signifies the depth of the bilateral friendship relations.

The bilateral relation to be distinct in contents and forms, Eritrea is also required to make some structural reforms against economic strangulation efforts by Ethiopia and thereby to encourage foreign investment and engagement. The no war no peace policy was deliberately engineered by Ethiopian policy makers to badly hit Eritrea's economy in long run and make hindrance against any form of engagements with the state of Eritrea. For this reason, Ethiopia is still continuing its occupation of Eritrea's undisputed sovereign territories despite the Algiers Agreement stipulations, and this left almost half a million of Eritrean people in socio-economic limbo.⁴⁶ Ethiopia also could not be able desist its provocative activities against Eritrea. Similarly, the policy left the area as a potential conflict zone. The Security Council Resolution 1907(2009) that imposed unfair and illegitimate sanction against the state of Eritrea is also originally incited by Ethiopia though USA backing was evident and its consequences are far from reaching.⁴⁷

Conclusion

For the last two decades and more, India remained the most important partner to Eritrea next to China to its unfolding socio-economic transformation processes. India has been helping Eritrea in many capacity building schemes: education, agriculture, science and Technology. In line with this, India had also provided concessional line of credit of \$20 million

for Eritrea's educational and agricultural infrastructure development. Moreover, India had offered a preferential treatment to goods imported from Eritrea. As a result, the Eritrea-India bilateral trade has increased with staggering rate in 2012-totaling \$ 34.88 million. The major bilateral cooperation between the two geographically very distant states ,however, mainly is grounded in higher education. India is a source of stability in Eritrea's education human resources shortfalls by paving easy way to Indian professional workers to Eritrea. The country has also been a center for further studies to many Eritreans. Furthermore, the relations between Eritrea and India have also been shaped by common views at global scale. Both countries have a common position on issues such as, UN reform, terrorism, human rights and human trafficking. In short, this article analysis showed that the two countries relationship is mutually beneficial, but with estranges in the impasses of engagement: trade imbalance, restrictive monetary and fiscal policies, inadequate banking and financial facilities and Eritrea's closeness to China are few among other fault-lines. Hence, the two countries required to avoid all these backbiting issues in order to extend their engagement beyond the existing parameters by avoiding obsolete mechanisms.

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⁴⁵ David H Shinn., "Ethiopia and China: How Two former Empires connected", *International Policy Digest*, July 28, 2015

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⁴⁶ Osman Salih, Sstatement, 2015.

⁴⁷ Sofia Tesfamariam., "Latest attempt to cement an enormous Narratives," *Eritrean Profile*, 20 Friday February, 2016.

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