

Strategic Analysis Paper

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Ethiopia and Eritrea: A New Breakthrough in an Old Rivalry

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Key Points

- For the first time since the 1998-2000 war, Eritrea and Ethiopia have broken from their “no war, no peace” stalemate to fully restore diplomatic relations.
- In Ethiopia, the prime ministership of Abiy Ahmed has brought new prospects for social and political reform and countering the influence of the traditionally more authoritarian Tigray People’s Liberation Front.
- Improved relations between the two Horn of Africa countries could have a stabilising effect on Somalia, which has historically fallen victim to the inter-state rivalry.
- The resolution of the historic conflict between Ethiopia and Eritrea could bring significant economic opportunities from the Gulf States and the European Union, as they seek to forge greater ties in the region.

Summary

Recent developments in the Ethiopia-Eritrea bilateral relationship suggest that matters are at last moving in a positive direction. The relationship remained volatile even after their 1998-2000 war, a conflict that was grounded in territorial disputes, economic issues, diverging government ideologies, differing state structures, the prevalence of authoritarianism and ethnic differences. Certain historic events, as well as the diversity of actors involved, help to contextualise the current improvements in the relationship and the possible future course that it may take.

Analysis

Conflict between Eritrea and Ethiopia has persisted for decades and has been one of the major fault lines in the Horn of Africa. Eritrea was annexed by its larger neighbour in the 1960s, causing a 30-year conflict. After the Marxist *Derg* regime was overthrown by the Ethiopian People’s Revolutionary Democratic Front (a coalition of rebel forces) in 1991, Eritrean leaders moved quickly to gain independence from Ethiopia, which was secured via referendum in 1993.

In the years following Eritrean independence, the discord between the two countries grew wider. Given those tensions, a border dispute coupled with economic and trade differences, provided the immediate catalyst for the 1998-2000 war. The outbreak of hostilities was triggered by gunfire on 6 May 1998, in the locality of Badme. The war exacted high human and economic tolls for both countries. The violent conflict is thought to have left as many as 100,000 people dead, up to one million people displaced and, indirectly, around eight million people vulnerable to a severe famine in Ethiopia.

After entering into a ceasefire agreement in June 2000, both countries signed an internationally-brokered peace agreement in Algiers in December. The “Algiers Agreement” created a temporary 25-kilometre-wide buffer zone, appointed the United Nations Missions in Ethiopia and Eritrea (UNMEE), the Eritrea-Ethiopia Border Commission (EEBC) responsible for the demarcation of the border and established a claims commission to assess liability for the costs of the war.



Since the EEBC ruled that the town of Badme, a strategically unimportant settlement but vital catalyst for the war, was on the Eritrean side of the border, bilateral relations remained unstable. While Eritrea maintained that the EEBC decision was final and binding under international law, Ethiopia refused to withdraw its troops. Ethiopia was aided by having control of the situation on the ground and its stronger international relationships. The uncompromising positions of both countries resulted in a sustained escalation of tensions since the 1998-2000 war. The EEBC shut down in November 2008 without having delimited the border, the UNMEE terminated its mandate in August 2008 and Eritrean troops re-occupied the Temporary Security Zone in the same year. Armed clashes such as those in the border area of Tsorona in June 2016, demonstrated that the volatile relationship could still quickly escalate into violent conflict. The “no war, no peace” stalemate that has persisted over the past 20 years can be attributed to a number of domestic and international developments. The stalemate, in which neither country actively

sought peace nor prepared for war, was largely the amalgamated outcome of the high political cost of that a potential war would entail, poor economic conditions, the enduring sense of betrayal relating to the 1998-2000 war and the continuing political use of the interstate rivalry by both governments.

Several recent developments suggest that relations may now be improving. On [5 June 2018](#), the new Prime Minister of Ethiopia, Abiy Ahmed, announced that he was willing to give up the town of Badme with no economic preconditions. In response to Abiy's announcement, Eritrean president Isaias Afwerki announced that he would send a peace delegation to Addis Ababa, ending his government's 18-year-long refusal to conduct dialogue with Ethiopia. Following the announcement by President Isaias, diplomatic relations have been officially restored with the signing of an agreement in the Eritrean capital, Asmara. Visiting Prime Minister Abiy signed the agreement which formally resolves the border dispute in accordance with the tentative ruling of the EEBC. During Abiy's visit, it was also announced that Eritrea would restore Ethiopia's access to its port, enable air links and restore other economic facilities fully. According to the Ethiopian Ministry of Foreign Affairs, Ethiopia has 'lost an estimated US\$3600 per day due to [the] suspension of flights between Asmara and Addis Ababa since the war erupted two decades ago'. The increased integration of the two countries would extend to the telecommunications and infrastructure sectors and joint work on security issues in the Horn of Africa. Formal negotiations are unlikely to begin until the United Nations lifts its sanctions against Eritrea, but Eritrea, anticipating that event, appointed an ambassador to Ethiopia on 21 July. The recent request from Ethiopia to visiting UN Secretary-General, Antonio Guterres, to lift sanctions against Eritrea indicates that Addis Ababa is keen to see the progress continue.

The election of Prime Minister Abiy in Addis Ababa in April has created a real possibility for a reset in Eritrea-Ethiopia relations. He became Prime Minister after hundreds of thousands of Ethiopians protested against the influence of the Tigray People's Liberation Front (TPLF). A party of former liberation fighters, the TPLF is the dominant grouping in the multi-party, multi-ethnic Ethiopian People's Revolutionary Democratic Front (EPRDF) coalition. Representing the Tigray ethnic minority, who make up six per cent of Ethiopia's approximate 107.7 million people, the TPLF maintained a strong grip on power for much of the last two decades. Through its control of the state security agencies, the TPLF, under the late Meles Zenawi, effectively eviscerated civil society, curtailed press and religious freedoms and constrained all forms of political opposition.

Deep social and political pressures, as well as economic challenges, intensified from 2015 and forced then Prime Minister Hailemariam Desalegn to resign in February 2018. Since taking office, Abiy has introduced significant reforms that have reduced the influence of the TPLF. Actions such as lifting the government monopoly on the telecommunications and energy industries, the release of thousands of political prisoners and restoring access to previously blocked websites, have all helped to transform social and political freedoms in Ethiopia. Abiy has undermined the TPLF's influence by ending a repressive state of emergency, repealing laws that allowed dissidents to be labelled as terrorists and sacking a number of senior security and intelligence officers. Prime Minister Abiy's increasing assertiveness suggests that reforms that represent the people's interests and minimise the

influence of the TPLF will continue into the future. He must work to manage the TPLF while containing its considerable patronage networks which still have the potential to trigger widespread ethnic conflict or commit violent acts such as the [assassination attempt](#) on his life on 26 June 2018.

The extent to which the normalisation of the bilateral relationship will benefit Eritrean citizens remains uncertain. Little is known about the country, particularly the way in which strategic decisions are made. With President Afwerki exercising tight control over most aspects of life in Eritrea, it is likely that attempting to reduce his country's simultaneous isolation yet over-reliance on ties with the Gulf States, as well as improving its poor economic circumstances, are the main strategic elements that are being considered. Most of what sizeable economic activity there is in Eritrea is conducted by companies with links to the ruling party.

Economic conditions in Eritrea worsened from 2008, when President Afwerki engaged in a systematic effort to further consolidate his control over the Eritrean state and society. By instituting mandatory and indefinite military conscription, as well as limiting all forms of political expression, Isaias exacerbated the contraction of the Eritrean economy by almost ten per cent. The torture and killing of people suspected of trying to avoid military service resulted in an estimated 400,000 young Eritreans fleeing the country between 2002 and 2016. Given the plethora of issues in Eritrea, the timing of the overtures from Ethiopia could not be better for the smaller country, bringing with them opportunities for improving Eritrea's international standing and domestic conditions.

The Horn of Africa's endemic inter- and intrastate conflicts are interlinked in a regional security complex; the primary security concerns of a number of regional states are so closely interlinked that the national security objectives of each cannot realistically be considered in isolation. Improvements in the Eritrea-Ethiopia relationship could, therefore, have a profound effect in stabilising the region. In the past, both Ethiopia and Eritrea used proxy forces to undermine each other. Ethiopia was a major supporter of the Transitional Federal Government in Somalia, while Eritrea provided assistance to the Union of Islamic Courts (UIC) and Ethiopian opposition groups in Somalia such as the Ogaden National Liberation Front (ONLF) and Oromo Liberation Front (OLF). In 2006, the proxy conflict in Somalia escalated when key leaders of the UIC sought to provoke Ethiopia into war. Addis Ababa responded to the growing threats by pre-emptively driving the UIC out of Mogadishu. Partly in response to the Ethiopian military campaign, violence in the Somali Region of eastern Ethiopia, known as the Ogaden, exploded in 2007. The Ethiopian authorities responded to the violence with a counter-insurgency programme that disrupted local markets, provoked mass migration within the region and, eventually, resulted in a humanitarian emergency.

For Ethiopia, improving its relationship with Eritrea coincided with the need to diversify its port access; a major strategic objective. Abiy visited [Mogadishu](#) on 16 June 2016, and agreed to limited joint investment in four Somali ports. While improved Ethiopia-Eritrea relations could have a positive spill-over effect on stability in Somalia, an end to the Eritrea-Ethiopia proxy conflict – while very useful – is insufficient to resolve the complex challenges facing that country. Regional insecurities in the Horn of Africa are complex and require nuanced

country-specific responses that extend beyond the scope of the normalisation of relations between two former enemies.

The normalisation of the Ethiopia-Eritrea relationship has the potential to bring considerable new opportunities to both countries. The interest of Gulf Arab states such as the UAE, Saudi Arabia and Qatar has created opportunities for greater economic ties between the Middle East and the Horn of Africa. The war in Yemen has disrupted the balance of power in the area and contributed to the ending of the stalemate between Addis Ababa and Asmara. For Eritrea, the Yemeni war provides an opportunity to forge new alliances. After a dramatic falling out with Djibouti in April 2015, the United Arab Emirates-Saudi alliance turned instead to the Eritrean port of Assab for use as a logistics hub and means to dominate the Houthi-controlled port of Hodeida, directly across the Red Sea. After an April 2015 visit to Riyadh, President Afwerki signed a maritime security arrangement. Military installations in Eritrea that would support the war effort in Yemen began soon after. In exchange for its assistance, the UAE and Saudi Arabia have provided aid and oil to Eritrea, as well as worked to modernise the country's power sector.

In response to those developments, Addis Ababa worried that increasing Arab support to Eritrea would boost that country's diplomatic and military positions. Ethiopia thus worked to develop its own strategic partnership with the UAE, and was able to reach an understanding over the UAE's relationship with both Eritrea and Egypt. For almost a decade, Ethiopia had sought a partner to develop the Berbera port in Somaliland into a high-capacity facility. After lobbying by Ethiopia, the UAE agreed to invest in the port's development by offering to guarantee its trade volumes and to use the port for [30 per cent](#) of its trade in the future.

The influence of the UAE in the Horn area is most evident in the role that it has taken as principal mediator between Ethiopia and Eritrea, which has led to the recent positive developments. Only ten days after Abiy announced that Ethiopia would accept Eritrean sovereignty over the town of Badme, the Crown Prince of Abu Dhabi, Mohammed bin Zayed al-Nahyan, visited Addis Ababa to meet the new PM. The Crown Prince announced that the UAE would inject [US\\$1 billion](#) (\$1.34 billion) into Ethiopia's state bank in an effort to stabilise the country's foreign exchange reserves. The UAE has also pledged to provide [US\\$2 billion](#) (\$2.69 billion) in aid to Ethiopia.

The increasing presence of the UAE and other Gulf States in the Horn of Africa suggests that when even seemingly intractable conflicts in the area are mitigated, significant economic opportunities may subsequently follow. As the UAE's influence grows in both Eritrea and Ethiopia, the relationship between the two neighbours may continue to improve as a result of the increased economic integration and the benefits that could potentially follow from it.

One significant development that has also affected the regional balance of power in recent times has been the European migration crisis. The flow of migrants from Africa to Europe via Egypt and Libya featured disproportionately high numbers of Eritrean refugees; over one million Eritreans sought asylum in Europe in 2015. Eritrean migrants and asylum seekers, moving through refugee camps in Sudan and Ethiopia, were an early catalyst for the development of regional human smuggling networks.

In order to restrict the flow of Eritrean migrants, the European Union was forced to strengthen ties with Eritrea, while overlooking the grave human rights violations that had hindered the relationship in the past. The multilateral forum, known as the Khartoum Process, was organised by the EU and North African states, and included Eritrea as a major stakeholder. The Process helped to strengthen ties between immigrant source countries and the EU to effectively stem the flow of migrants. By 2015, the Khartoum Process had helped the EU to resume development assistance to Eritrea. The EU utilised a strategy of leveraging its development assistance to push for reform of the Eritrean National Service programme, which was largely viewed to be the main cause of the mass exodus from the country.

The EU has welcomed the latest developments in the relationship, with Federica Mogherini, the High Representative of the EU for Foreign Affairs and Security Policy, saying that ‘the signature of the Joint Declaration of Peace and Friendship represents a historic and courageous move by the Eritrean President Isaias Afwerki and Ethiopian Prime Minister Abiy Ahmed’. Mogherini added that ‘the European Union stands ready to mobilise the support needed to consolidate the normalisation of relations between Ethiopia and Eritrea.’ If the past is any guide, however, the prioritisation of improved political and economic conditions is likely to be accompanied by a lack of focus on the instances of human rights violations and poor social conditions that occur in both Eritrea and Ethiopia.

Conclusion

While the improvements to the bilateral relationship have been politically popular, dealing with the territorial disputes while leaving the underlying causes of conflict unaddressed could still be problematic. If long-term sustainable benefits are to be brought to their countries, the leaders of Eritrea and Ethiopia will inevitably have to resolve other complex bilateral and internal issues.

The Horn of Africa, as the site of diverse domestic political, social and economic problems, faces pressures for integration as well as disintegration. Reconciling those tendencies in the long term will require a certain amount of courage and the striking of a balance between national interests and the hopes of the two countries’ citizens for an enduring peace brought about through closer cultural and economic links.

Any opinions or views expressed in this paper are those of the individual author, unless stated to be those of Future Directions International.

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