

Eritrea seeks to ease isolation by new bilateral ties

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Eritrea continues to support opponents of Somalia's federal government, according to media leaks yesterday from the latest monitoring report on UN Security Council sanctions. Similar accusations have for several years shaped international consensus on Eritrea as a regional 'spoiler'. Sanctions, applied in 2009, were strengthened in 2011. The root cause of the regime's diplomatic isolation is its state of 'no war, no peace' with Ethiopia, headlined by their border dispute. Ethiopia's influence regionally with its Western backers keeps Eritrea locked out of the main sub-regional body and occupying an uneasy position within African Union (AU), which approved the sanctions. Yet Eritrea's current diplomatic offensive raises the prospect of its greater international re-engagement.

What next

Ethiopia's apparently unassailable grip on how Eritrea is perceived may yet be loosened as Eritrea's expanded foreign relations portfolio targets the region's Arab and Middle Eastern partners, China and others, and South Africa. Eritrea sees relations with foreign mining firms as crucial to reshaping its international image as it seeks to capitalise on gold and potash production, and insulate itself from any future sanctions targeting its only foreign exchange earning sector.

Analysis

Eritrea's new diplomatic offensive began in its immediate region in 2010-2011:

- *Uganda*. Although Uganda was a key exponent of sanctions in 2009, relations with Uganda have been improving. Eritrea's President Isayas Afeworki sees President Yoweri Museveni as a useful counterweight to Ethiopia; Museveni seeks to retain his role as a regional powerbroker (see UGANDA: Museveni's regional influence may be waning - June 25, 2013). Isayas visited Kampala in August 2011, Museveni returning the favour with a trip to Asmara in May 2012.
- *Sudans*. Despite fears that South Sudan's independence would open up another proxy theatre for Ethiopia-Eritrea tensions, Asmara appears to be managing relations well with both Juba and Khartoum.

Kenya remains hostile to Eritrea due to what it sees as the latter's obstructive role in Somalia.

North Africa

Eritrea has also been attempting to rekindle ties in North Africa, amidst that region's recent volatile leadership changes:

- *Libya*. The close relationship with Libya, founded on a personal bond between leaders, was dealt a blow by Muammar al-Qaddafi's overthrow. However, in recent months Eritrea has declared its support for the new government in Libya and has sought to build on earlier bilateral linkages.

Impact

- Ethiopia's own political transition may hamper its likely attempts to frustrate Eritrea's regional re-engagement push.
- Yet Eritrea's new diplomacy may also be derailed by hardliners within its own regime, possibly through support of rebel groups.
- Poor relations between Eritrea and Ethiopia -- and subsequent proxy conflicts -- continue to pose a threat to regional stability.

- *Egypt.* The country has long seen Egypt as a useful ally. Isayas was close to Hosni Mubarak. Egypt's latest political rupture will likely be seen in Eritrea as a temporary setback. Egypt has also valued Eritrean support in the embittered debate (especially with Ethiopia) over managing Nile waters. Although Eritrea has not been involved in those negotiations, it backs Egypt's stance as part of its wider strategy to undermine arch-enemy Ethiopia (see AFRICA: Legal rows over Nile belie quiet cooperation - June 17, 2013).

Both Egypt and Libya in the past underwrote Eritrea's ambivalent AU membership.

Qatar and the Gulf

Eritrea's cultivation of stronger relationships across the Gulf region presents significant opportunities for financial support:

Qatar, Turkey and others have sought to increase their Horn of Africa diplomatic profile

- Qatar increasingly sees itself as a key player in the Horn of Africa and has been an important partner for Eritrea in recent years.
- Along with investment interests, Qatar mediated during Eritrea's ill-considered border confrontation with Djibouti in 2010 and appears keen on using Eritrea to advance its role as regional peacemaker.
- The Eritreans wish to consolidate relations with Qatar, from which they have received significant financial support.
- Despite severing relations with Qatar between 2008 and 2012, Ethiopia has also indicated its interest in doing business with Doha.

Qatari patience with Eritrea may yet prove finite. Since late 2012, one of its key conditions for support is that the regime returns to the negotiating table with Ethiopia. This has yet to happen, but there is an outside possibility that Eritrea may start to see normalised relations with Ethiopia as more clearly in its interests than hitherto (see ETHIOPIA-ERITREA: Border stand-off could be easing - December 31, 2012).

Iran and Israel

Eritrea has also been attempting to balance friendships with Israel and Iran in what is becoming a perilous triangular relationship. Eritrea -- and its Gulf of Aden waters -- has become another arena for Israeli-Iranian rivalry:

- Israel has a small but significant intelligence-gathering and naval team on the Eritrean coast.
- Iran -- which has given financial support to Eritrea -- maintains a military presence around Assab near the Bab el Mandeb strait and has expressed an interest in developing the oil refinery at Assab.

Isayas clearly hopes to use both relationships to his advantage. Israel offers potentially important defence and security cooperation, although though Israel is ultimately far more interested in maintaining its relationship with Ethiopia. Iran has proven an important source of diplomatic and economic assistance at a time when Eritrea found itself cornered by Ethiopia and its Western allies. Eritrea will continue struggling to balance such uneasy and contradictory relationships.

Eritrea may over-estimate South Africa's political influence on the continent

South Africa

Eritrea's burgeoning relationship with South Africa is of particular note:

- In early 2012, Isayas received Iqbal Jhazbhay -- a senior ANC figure with responsibility for international relations and the development of party-to-party relations in the Horn -- as South African ambassador.
- Direct flights between Eritrea and South Africa were initiated in May 2012, followed by a South African business delegation to Asmara in July 2012 and a high-level Eritrean political mission (led by Foreign Minister Osman Saleh) to Pretoria in August 2012.

Eritrea is evidently capitalising on Pretoria's ambitions to exert greater diplomatic weight across the continent, including on conflict resolution issues in the Horn (see SOUTH AFRICA: Military role complicates African policy - April 11, 2013). Having lost Egyptian and Libyan backing, Eritrea likely sees an opportunity to counter Ethiopia's influence in the AU; last year former South African foreign minister Nkosazana Dlamini-Zuma was elected AU Commission chairperson (South Africa had courted Eritrea's vote) (see AFRICA: AU strives towards economic integration - March 25, 2013). South Africa is also currently serving a second term as a non-permanent UN Security Council member, making it an extremely useful ally.

Mining sector

South African firms also have an interest in mining opportunities in Eritrea. Indeed, the potentially hugely important mining sector has become a key driver behind Eritrea's diplomatic outreach:

- It is clearly keen to attract investment in its gold and potash operations from a wide array of sources.
- It currently hosts mining companies from Australia, Canada, China, India and the United Kingdom.

Beijing has recently extended financial support to Eritrea, cancelled debt, and signed up to deals for the development of Eritrean trade and infrastructure. Such moves suggest that, despite a host of internal and external challenges, Eritrea will continue to seek to maximise its economic potential. The UN sanctions regime and Eritrea's very poor human rights and democratic governance record create some reputation or regulatory risks for firms.