

Participation, Civil Society and Political Space in Eritrea

Observations and Analysis

by

Elizabeth Hart, Democracy Fellow, G/DG  
Melissa Brown, Democracy Officer, G/DG

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In the course of a brief TDY in January-February 1997, we explored the status of civil society and the conditions for democratic participation and accountability in Eritrea. This report on our findings is designed both to give a sketch of the political scene in Eritrea and to provide a deeper analysis of the opportunities and challenges for broadly democratic participation and accountability in this new country as it forges its path toward political, economic and social development. It is clear that the Eritrean government has set for itself an ambitious agenda for developing and distributing resources and political influence to its citizens, but some of its tactics for shaping the country's development to those priorities may work against the goal of participatory and democratic governance it has established for itself. In particular, a structural concentration of organizational and financial resources may remain and even be reinforced, despite government commitment to deconcentration and decentralization, and could fundamentally constrain the development of democratic governance in the future. USAID/Eritrea has chosen a strategy of seeking opportunities within the parameters of the lack of human and institutional capacity in Eritrea and the government's development priorities. This report does not necessarily dispute such a choice at the current time, but it does point out some potential risks associated with a strategy that, so far, works mainly with government and associated organizations. The findings of this report thus would argue in favor of addressing participation and civil society development issues more broadly over the five- to eight-year horizon of the Mission's strategy. The report also emphasizes the need to look ahead to how to evaluate or monitor movement toward greater participation and accountability over the life of the strategy.

The following section provides a broad overview of the current democratic situation in Eritrea, then an outline of the major political actors and dynamics most relevant to issues of participation and civil society development is provided. A third section addresses the major challenges to democratic participation and accountability that can be identified in the current transitional situation. The final section analyzes these risk factors, identifies possible ways of addressing them with programming and other USAID resources, and proposes evaluative indicators for monitoring change over time.

## I Overall Impressions

The first thing that must be said regarding any political analysis of Eritrea is that any conclusive evaluation of the situation in the short term is tremendously difficult. Eritrea is a very young country still feeling its way toward the political structures and practices that will ultimately govern Eritrean society. Many of the early indications are quite positive, especially the recent exercise in constitution-making, the participatory nature of which has been commented upon widely. Likewise, the current leadership has stated clear intentions to develop a broadly participatory political process and decentralized institutions of democratic governance.

Yet movement toward these goals is still in the very early stages, so the outcome remains indeterminate. Currently, politics in Eritrea plays out in a relatively restricted arena in which political competition is limited to a very small circle. The current leadership commands a mainly hierarchical system of governance. This may well be a carryover from the military structure the leadership commanded until independence, but there is scant evidence at this time that the government structure is intended for any other end than governing with very little human and technical capacity. Plans for promulgation of the constitution and elections for a national legislature are moving forward. Regional Assembly elections have been held, and those elected will form the Constituent Assembly. The Constituent Assembly is slated to ratify the constitution this May, though this may be an optimistic timetable, given the logistical demands of the process. The proposed constitution embodies a commitment to broadly democratic ideals, though some issues regarding participation, such as the details of who is allowed to vote and run for office and on what organizational basis, are left to promulgation of laws later. Current restrictions on civil society and participation (see below) may well change with new laws promulgated under the new constitution, though the post-constitutional status of existing proclamations (which have the force of law) has not yet been spelled out. Thus many of the signals coming from the Eritrean leadership support a positive assessment of their democratic intentions, but the challenges to fulfillment of their agenda are also clear.

Further complicating the task of assessing the democratic situation in Eritrea is the fact that it is difficult to identify a constituency for broader civil society at this point. The leadership that brought Eritreans from war to peace and from occupation to independence enjoys widespread support, and there is little sense that Eritreans conceive of the relationship between government and citizens as an adversarial one. This sense of unity is underscored and strengthened by a strong commitment on the part of the political leadership to providing for the needs of the society, as it did during the years of the struggle. One may question whether this is an appropriate goal for any government, especially one with extremely limited capacity, but there is no evidence that it springs from anything but concern for the people of Eritrea.

The democracy and governance problematic in Eritrea, therefore, is not lack of democratic intention--it is too early in the country's history to pass this kind of judgement on Eritreans'

singular efforts to forge a new nation and avoid some of the mistakes of other countries on the continent. The democratic commitment of the current regime has been widely cited by the Mission and many others. The history of the struggle for independence highlights the EPLF's inordinate commitment to the Eritrean people, not only in the sacrifices made in battle, but also in its efforts to organize, educate and care for the civilians of Eritrea. The participatory nature of the constitution-making exercise provides a model for democratic governance in the future. The government's commitment to overcoming gender discrimination and to dealing constructively with ethnic and religious diversity is exemplified in many forms from school curricula to constitutional provisions for equality between genders and among ethnic groups. And the government has openly embraced the concept of private sector-led development, even going so far as to pursue a wide prosecution of corruption in a party-owned company. All these indications attest to the current strong commitment to the components of a democratic society.

*Thus the real problematic of democracy in Eritrea lies not with commitment now, but with possible outcomes in the future.* Currently, most of Eritrea's political, organizational and economic resources rest in the hands of the government and related groups. As the government's efforts to lead development and bring about stable democracy mature, how will political space be delineated? Will conditions be created to encourage broader distribution and development of those resources? The commitment appears to be in place, but the risk is that the current degree of concentration of resources could create structural bottlenecks holding back the development of resources outside the state and its network. We will return to these issues in the last two sections of this report.

## II Current Status of Political Scene--Actors, Resources, Dynamics

The array of political actors in Eritrea centers on the president and his close advisors. As will be discussed below, politics and policy making are still a mainly centralized and hierarchical process. One important aspect of the executive at this point is the prominence of ex-fighters from the ministerial level to sometimes much lower levels of administration.

Outside the official government structure, the People's Front for Democracy and Justice (PFDJ) is the main political entity. In 1991, the Eritrean People's Liberation Front (EPLF) formally delinked itself from the government and renamed itself the PFDJ. Several other groups formerly linked to the EPLF--the most important of which are the National Union of Eritrean Women (NUEW) and the National Union of Eritrean Youth and Students (NUEYS)--also play an important role in Eritrean political life. They are mainly service organizations, and they have been officially delinked from the party and the government, but they remain closely affiliated with the governing leadership and institutions. In fact, the leadership of the government, PFDJ and other major institutions overlaps significantly. During the course of a brief TDY, we were unable to determine the degree of internal democracy being practiced within these more or less quasi-governmental institutions (including the PFDJ). A determination of this factor would shed a great deal of light on the overall democratic situation in Eritrea, given the dominance of these groups in the organizational and political landscape.

Among other groups, 16 domestic NGOs were registered with the Eritrean Relief and Rehabilitation Commission (ERREC), the agency that regulates and coordinates all international and domestic relief and development operations. Of the 16 domestic groups, 7 with religious affiliations recently have been excluded from development activities. (World Vision, a religious-based international NGO, has been allowed by the government to continue its development activities.) Among the non-religious groups mentioned as NGOs were the Planned Parenthood Association of Eritrea, the Eritrean Community Development Association, the Eritrean Community Development Initiatives, the Eritrean Red Cross, NUEYS and the NUEW. Other groups in society whose status and connection to government is less clear include the National Confederation of Eritrean Workers, some economic cooperatives, and other groups such as BANA, an association-turned-share company that works with women ex-fighters. Further specification of the particular relationships between these and other groups and the government would help clarify the potentials and capacities for civil society development in Eritrea.

Within the ruling circle, the main political dynamics focus on the dominance of ex-fighters and the question of market-led economic growth. The former issue does not appear to be the source of much disagreement within the political leadership, but there is some question of whether non-fighters will find their opportunities constrained due to the preferences currently being given to ex-fighters, and whether this will cause political dissent later. Furthermore, some observers attribute the disappointing pace of returning Eritrean diaspora to the limited opportunities they find upon their return. On the issue of economic priorities, the government has openly embraced a private sector-led model for economic growth, but within the leadership, there appears to be differing degrees of commitment to this model. Some observers say this the most likely issue around which a splinter of the PFDJ may develop, with the free market skeptics breaking away from the rest of the front.

In addition to these potential sources of political conflict, it should also be noted that Eritrea may face conflict focussed around politicized Islam. The Eritrean Islamic Jihad appears to be a small organization, but it is greatly feared by the country's leadership and is the reason given for many of the more restrictive measures affecting civil society. Not only does political Islam represent a threat for internal security, but it also raises the specter of regional conflict. Sudan has made no secret of its support for the Jihad, and Eritrea, in turn, supports the Sudanese rebellion. If the current situation leads to increased marginalization of Muslims within Eritrean society--something the current leadership has tried to overcome--the country's internal political situation could be greatly affected. The Eritrean Liberation Front (ELF), which is mainly Muslim and from which the EPLF broke off in the early years of the struggle, still maintains an organizational presence (mainly overseas) and thus may represent the most organized source of opposition to the current (mainly Christian) leadership of the PFDJ and the government.

### III Challenges to Accountable Democratic Governance

Given the difficult circumstances with which Eritreans must contend in their efforts to develop their new country politically and economically, it should be expected that the process will move forward with fits and starts. No transition to democratic governance is smooth, and particularly not one which must build governing structures and a participating society almost from scratch. Several factors of the Eritrean situation contribute to this difficulty.

#### A General environment for development

It must be recognized that Eritrea's physical and economic environment constitutes a severe initial constraint of the development of all aspects of polity and society. Eritrean human resources have been greatly depleted, not only by the direct losses of war, but also by lost years of education, productive economic activity, administrative experience and experience in participation in stable government. The limited productivity of the land, and the lack of development of the country's other natural resources and economic potential require that most Eritreans occupy themselves principally with the battle for survival. Concerns about broader public issues, even the most basic problems for which collective action could provide a solution, may be well beyond the line of sight for many Eritreans. In this environment, it is not surprising that an active civil society has not developed.

#### B Government capacity

In addition, Eritrea's early stages of political and institutional development in work in a number of ways to limit the potential for democracy and accountability in the short term. Low levels of human and technical capacity confine government activities to a limited range, and fear of overextending that limited capacity, or overwhelming it, may be part of the explanation for government restraints on civil society. A generally hierarchical mode of policy making and regulatory approach to non-governmental initiatives, requiring high-level approval for even small activities, has also developed. This is due in part to an evident conviction among much of the leadership that government, rather than private groups or individuals, is broadly responsible for leading the country's development, but also due to the lack of capable staff and institutions at lower levels of government. In addition, communications between ministries are not sufficient to prevent agreements reached and permissions granted in one ministry from being held up in another, frustrating implementation of projects and development of independent groups. A further result of limited capacity and experience in governing is the instability of the legal framework for participation, as laws are made and changed to adapt to changing circumstances and leaders' learning process, and uncertainty about the timetable for transition to elected rule. Such uncertainties seem to have led to a "wait and see" attitude among people who might otherwise be making financial and political investments in the country.

The lack of governmental capacity has been exacerbated, to some extent, by the government's slow movement to take advantage of opportunities, many of them offered by international donors, for (especially human) capacity enhancement. In practice this slowness seems to result more from the government's commitment to own the process (from designing training programs to

implementation) than to low commitment, but the result is continued slow progress in expanding the pool of Eritreans capable of taking on the wide range of complex roles and tasks involved in broadly participatory government

### C Constraints on societal capacity

At this point, the broader Eritrean society lacks the technical and human capacity to create any counterbalance to the dominance--albeit limited itself--of the state in the organizational arena. In addition to the effects of war and poverty, the problem also stems from the limits government has placed on the operation of domestic and international NGOs. Much attention has been focussed on the constraints under which international NGOs must operate in Eritrea, and though these are non-trivial issues, we believe them to be of lesser importance than the question of domestic civil society development

The government has identified a narrow area for non-governmental activity in Eritrea. Civil society organizations are deemed redundant if they propose to work on issues or activities in which the government or already-established (usually government-linked) groups are already working, or in which the government believes it ought to be working. Some non-governmental groups have been prevented from registering or carrying out activities because of concerns they may be conduits for potentially destabilizing foreign interests. This is usually the main reason given for the ban on religious organization involvement in development work or broader political activities, as fear of politicized Islam--mainly sponsored by Sudan--has led the Eritrean leadership to attempt to keep a strict division between the realms of religion and politics. Concern about foreign influence and/or aid dependency is also given as the reason for preventing non-governmental groups and the media from receiving foreign grants and other types of aid (Though some groups have been able to receive small grants--mainly of equipment rather than funds--through special arrangements with the government). Through mechanisms like these, the situation at this point is one in which civil society organizations must receive government approval through the registration process, operate under the coordination of the government--especially in development activities--and have little recourse if the government decides they do not serve the interests of national development. In particular, it has been reported that organizations that are particularly adept at fundraising and offer competing approaches to government's in solving a particular problem--such as BANA (formerly an association, now a share company), a group serving the needs of women ex-fighters--are finding it difficult to operate. (The whole story of the difficulties surrounding BANA's founding and its changing organizational status remains quite unclear, but its activities may have been seen as competing with those of the NUEW. In any case, the lack of information and clarity surrounding this question has elevated its importance as a possible example of government controls on civil society in Eritrea.)

An additional constraint on civil society stems from the fact that the line between public and private spheres of action is not well-developed in Eritrea. The most prominent domestic groups, which are called non-governmental, such as the National Union of Eritrean Youth and Students

(NUEYS) and the National Union of Eritrean Women (NUEW) are officially delinked from the government, but had their roots in the EPLF movement, still receive limited financial and/or logistical support from the government, and are led by individuals with strong ties to the government leadership. Overall, as with the previously-cited conception of the government's legitimate role in the society, Eritrean leaders also convey a sense that the distinction between civil society and government/party is not relevant. As one official put it, "civil society is what the EPLF has been mobilizing since the beginning of the struggle," suggesting a very different conception of civil society than the common one which identifies civil society as an independent arena of activity between the state and individuals. While the more common definition sees civil society as both a cooperative force with the state enabling good governance and a countervailing force to the state, the prevailing conception at least among Eritrean leaders seems to be that there is little need for countervailing forces.

Likewise, while the government has embraced the concept of private sector-led growth, many of the large private companies in the country at the moment are actually owned by the PFDJ, again blurring the line between private and public in a way that could have serious implications for economic growth and political developments in the future.

It must be recognized that Eritrea, building on the unity of vision forged in a long struggle for independence, may be developing a new model for cooperative governing. Moreover, the government's concerns about the vicissitudes of international assistance--its dependability, utility and sustainability--should be taken seriously, and related limits on civil society should be examined in that light. At the same time, it should be made clear that, regardless of motivations, this blurring of the line between public and private spheres of action has the potential to limit development of civil society (and the private economic resources which are its building blocks), and consequently political participation and accountability. This is not to say that political differences *cannot* be accommodated within a less-diffused constellation of political and social institutions. This remains an open question, but in the interim it is important for USAID to analyze carefully the risks of the current situation, and what may be done to mitigate those risks. In particular, it needs to be acknowledged that in the current array of extra-governmental groups, organizations with strong ties to the governing power dominate, and they do not necessarily constitute an alternative, independent source of resources and/or ideas in Eritrea.

Furthermore, given the government's current opposition to allowing independent groups to carry out functions within the purview of existing organizations, it is clear that the quasi-governmental organizations have a strong potential for crowding out the development of other resources and ideas in Eritrea. This is also true of the large role of the PFDJ in the private economic arena, where party-owned companies may crowd out independent companies, and where the strong role the party plays in approving other investment projects poses important questions about the overall concentration of power in a relatively narrow set of political institutions.

#### IV Evaluating Political Space Issues Over the Life of the Strategy

This section identifies specific issues and evaluative indicators for analyzing the direction of possibilities for participation and accountable governance over the 5-8 year horizon of the USAID/Eritrea strategy. Eritrea is at an early stage in its political development now, but over the coming years, it will be important for USAID to carefully evaluate the direction of political changes and to begin to consider ways of supporting democratic governance and participation if it does not naturally emerge from the political structures developing now. The goals of democratic and participatory governance are at the heart of the Eritrean government's vision for the country, so evaluation might perhaps be proposed as a joint effort of USAID and the government.

#### A Limitations on formation and activities of non-governmental actors/organizations

**Domestic NGOs** The problem to analyze here is the degree to which space for the aggregation and articulation of alternative interests and ideas is protected in Eritrea's pursuit of development. Concerns about instability, foreign influence and self-determination may be valid, but at the same time, limits on the marketplace of ideas can ultimately constrain all aspects of political and economic development through their impact on accountability and on political support for a government. The government's concerns about maintaining national unity could come to an unfortunate end if they ultimately stifle the creative dialogue that allows countries to grow and change. Moreover, a government with severely limited capacity to fulfill its development goals might be able to address some of these problems by encouraging other groups in society to organize themselves to solve their own problems. This is an especially promising approach in a society like Eritrea's, where willingness to pull together for a common goal is strikingly high. On the other hand, stifling such activity poses the risk that high expectations for government performance will not be met and disenchantment will follow.

#### Program recommendations

**Evaluative indicators** NGO guidelines are currently in development, what will they say about the space for independent organization of interests? How will the constitution address the role for organizations and associations in political and policy advocacy? Will the National Assembly work to create a more supportive environment for civil society? Are certain organizations denied registration or unduly marginalized? Are the processes of registration and/or reasons for denial transparent? How will the Constitution Commission's recommendation that civic awareness, particularly as relates to citizen rights under the constitution, be supported in the period after promulgation?

**Dialogue** The mission and embassy should continue to raise the concern that neither the goal of democratic development nor economic growth is served by undue limits on civil society development. [Definition of "undue," of course, will have to be flexible.] Discussions might be pursued on the ways in which domestic groups could supplement government's development activities and improve societal capacity. A dialogue with the government on the efficiencies of aggregated citizen interests in determining the political weight of various priorities might also be undertaken. Ultimately, it would be hoped that the government would consider carefully whether it is creating the enabling environment for the kind of development it wants for Eritrea.

**Programming** To the degree possible, the mission should take advantage of targets of opportunity to support a broad range of organizations, focussing in particular on their capacity to aggregate members' interests and represent them to a broader range of decision makers. Opportunities should arise in the wake of local and national elections. As the new assemblies begin to exercise new authorities under the constitution, broader latitude for citizen engagement will probably follow. It may also be important to determine the legal distinctions among what the government calls associations, NGOs, cooperatives, and share companies, all of which fulfill some of the roles of civil society in Eritrea.<sup>1</sup> The legal distinctions may well have implications for groups' room for maneuver and may be used to limit some groups' activities while giving broader scope to others. Thus they may be important aspects of the civil society enabling environment. Patterns in these distinctions may help clarify the government's priorities, as well as the real capacities and priorities of various extra-governmental groups. Clarifying and perhaps simplifying this legal framework could contribute to a better environment for participatory development and democracy.

**International NGOs** The government's concerns about the destabilizing and/or disorganized impact of international NGOs, as well as its commitment to avoiding aid dependency, should be taken seriously. On the other hand, when the government has little capacity to meet the basic needs of its citizens, it may be harming itself by putting too many limitations on the activities of international assistance groups. The main concern of this report, however, lies with the impact that limits on international actors may have on prospects for domestic civic development. Keeping in mind real concerns about Islamic insurgency and other potentially destabilizing influences, it may still be possible to engage the government in dialogue and activities that would build on the existing commitment to responsible government and democratic participation through more broad thinking about ways international groups could strengthen local capacity.

**Quasi-governmental organizations** These organizations (NUEW, NUEYS are the main examples), which enjoy access and influence in governing circles, provide essential services and social organization, but they are less likely to introduce ideas that compete with government policy and priorities than more independent groups. Thus they are less probable vehicles for

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<sup>1</sup> On the basis of limited research during the TDY, the following distinctions seemed to exist. Associations are subject to ministry guidelines for activities, are often restricted to activities the government does not deem to be redundant or within its own proprietary realm of action, can operate without by-laws, cannot receive funds from international sources, and cannot implement projects of more than \$100,000. NGOs are actually usually associated with the government, at least formerly as part of the EPLF (and leadership tends to be linked closely with government/party leadership), usually have larger programs of at least \$100,000 per year, and may receive funds from international donors/agencies (so long as resources are funnelled through government?). Cooperatives always have by-laws, cannot go beyond rules set by the government for their operation (which are currently under revision). Share companies are usually purely economic entities. Share companies can raise funds from shareholders, and in some cases have received special permission to receive additional funds from outside sources.

ensuring broad public accountability of government They may also crowd out the development of more independent groups

Program recommendations

Evaluative indicators Are the quasi-governmental organizations exercising their independence in ways that improve the balance of organizational and economic resources between state and society? Are their internal practices sufficiently democratic to allow all interests or ideas a fair hearing, even if in opposition to government positions? If competing views emerge, do they have a chance to change the organizations' priorities and/or leadership? Do the groups see a role for other organizations/associations working in their sector? Do they encourage such participation?

Programming Over the period of the strategy, the mission should seek opportunities to work with a broader range of domestic organizations This may be more possible at the local rather than the national level Opportunities to strengthen participatory capacity in society may also arise in the course of other capacity building activities, both within the realm of government and politics, and outside it (see below)

**Independent media** The current Press Proclamation, which carries the force of law, reserves ownership broadcast media , the most accessible source of information for most Eritreans, to the government Private ownership of press operations is permitted, but international investment in such operations is prohibited Self-censorship may also be practiced, given stiff slander laws In general, there is little editorializing, and there are only a few privately owned press outlets So far, internet access has not been allowed by the government, generally out of concerns over access to culturally offensive information, such as pornography, and the spread of information that the government believes may be destabilizing or inflammatory Negotiations on the Leland Initiative are underway, and the government has expressed a general support for internet access in Eritrea Even if the government finally allows internet access, however, this resource would be available to only a very narrow section of the population

Program recommendations

Evaluative indicators The degree to which the press proclamation is brought into line with a fairly progressive constitution Emergence of private, independent news sources Does editorial comment and opinion increase over the life of the strategy? Is there a noticeable response by the government to expression of alternative views?

Programming Exchange programs like those of USIS, pursuing targets of opportunity to support professional associations in the media

**Cooperatives and other economic groups currently in USAID/Eritrea's non-D/G program portfolios** Economic development efforts under USAID's rural enterprise programs could be building blocks for development of independent resources and interest aggregation/articulation at the very important local level If these groups are not empowered to take on more than basic

economic functions, however, that potential may not develop. In order to say that these groups and programs are fulfilling D/G goals, evaluation will need to be carried out on the degree to which they are actually developing independent approaches to service delivery and, more importantly, advocacy.

Program recommendations

**Evaluative indicators** First, are local-level economic organizations fulfilling their economic goals? Then, to what degree are they able to identify their needs/rights/interests and assert them to relevant government bodies (local councils, etc.) or service agencies (local branches of ministries, etc.)?

**B Democracy and governance issues related to private sector development**

The Eritrean government has openly embraced a private sector-led development strategy. USAID/Eritrea should build on this interest by evaluating progress in this area and developing further the relationships between private sector growth and democratic participation. Likewise, if the government is to achieve its development goals, it must pay careful attention to the economic ramifications of actions it takes in the political sphere.

**Party influence in the private business sector** The PFDJ currently owns several companies that figure prominently in the Eritrean economy. It is also reported to wield significant influence over approval of international investment agreements. There may be a risk of crowding out more independent businesses by these quasi-public sector organizations, but more importantly, the concentration of economic power in the hands of the same circle of individuals that wield political power raises questions about the potential for fair play in the long run. If independent resources are the building block of independent civil society, then the risks to democratic outcomes are obvious. Moreover, if government controls the predominance of economic opportunities, then the state can easily become the object of highly unproductive and destabilizing political competition. This is not to say this *will* be the outcome, but rather to point out the importance of monitoring developments in this area over time. The government's willingness to pursue a broad investigation and prosecutions for corruption at the Red Sea Trading Company is a very positive signal that it intends to keep the current structural imbalance of resources from developing into misuse of those resources.

Program recommendations

**Evaluative indicators** Is international or domestic competition with government- and/or party-owned businesses encouraged or limited? Are regulatory controls over business opportunities (registration, credit, international investments, etc.) applied impartially and in a transparent manner?

**Investor confidence** This is probably the most delicate aspect of the nexus between political and economic development. Even small limitations on business or investment, especially if they seem

arbitrary or to discriminate on political or social grounds, can be read by the local business community (and through them, by international business) as evidence of lack of good faith on the part of government, thus taking on a much larger significance than the particular action necessarily warrants and undermining the government's intent to encourage private investment. There is some evidence that such small interventions have taken place, posing risks for overall investor confidence. The legal environment for business is also a concern. The government's efforts to refine its commercial laws are very important, but there should be emphasis on consistency of laws over time, particularly in the period of transition to constitutional rule, to avoid situations in which legal agreements are later abrogated by new law. Consultation and dialogue between government and private business representatives can be successful in defusing such problems, as well as legal guarantees and business access to the policy making process.

#### Program recommendations

**Evaluative indicators** Those above, and Degree of independence of new Chamber of Commerce, Level of accessibility of business organizations and/or representatives to policy making process, Degree to which those business representatives participating in the policy process are independent of government and quasi-government business interests

**Dialogue** Raising issues of investor confidence with relevant policy makers as feasible and appropriate

**Programming** a) Support for development of joint public-private consultative bodies within relevant ministries or at a higher policy level. Such bodies have been useful in developing or consolidating investor confidence by allowing private sector representatives to voice their concerns to policy makers who have authority to address the problem. Emphasis should be on the level of policy making authority represented in consultations, and on transparency of consultations. b) Support for participatory, consultative approaches to current process of commercial code revision. c) Linkage programs between international business organizations and local business associations to share ideas/experience and strengthen policy advocacy capacity locally.

**Smaller-scale business and investment** Small-scale and informal sector business can be the building block of larger private enterprise and usually represents the majority of private sector actors in developing countries, yet often this sector is not integrated into private sector representative bodies and consultative processes. Thus they may also be marginalized from the overall political process, which affects their opportunities for growth and their contribution to civil society. Strengthening the organizational and advocacy capacity of smaller-scale business people may greatly increase the likelihood of their economic success, as well as the success of private sector-led economic development.

Program recommendations a) Encouragement, through dialogue and/or programming, of development of small-scale and informal-sector representative organizations and their integration into broader private sector organizations and consultations. b) "Piggy-backing" advocacy

(broadly defined--rights education, problem identification, etc ) activities on programs supporting development of cooperatives, rural enterprise

## D Decentralization

### **Implementation**

The Eritrean government has made a strong commitment to decentralization, though capacity constraints have hindered implementation. The April 1996 Decentralization Proclamation, for example, does not specify how central fiscal and decision-making power will be devolved to the regional level. Currently, all projects are approved and financed by the relevant line ministry and Macro-policy. How this situation can be remedied over the short to medium term will say much about the degree of real decentralization taking place. Some observers have also noted that even though the national leadership is quite comfortable meeting with people at the local level and does not isolate itself in Asmara, such meetings may not actually be dialogues so much as government explaining its positions to the people. Careful analysis will have to go into assessing the degree to which local communities are truly empowered to set local agendas and influence national ones.

### Program recommendations

Evaluative indicators Degree to which fiscal and decision-making authorities are *effectively* devolved to the local level, and eventually some revenue generating and spending authorities (Currently, N Red Sea Region keeps only 1% of Massawa port and related fees )

### **Regional Assemblies**

The last round of regional assembly elections will be held in March (N B So far, voting has not been notably divided along ethnic lines ) It will be important to watch how regional assembly members will work out differences with local government administrators. In Massawa, some positive indicators were noted office directors will likely be answerable to local, not central, government. Local officials in Massawa and Agordat seemed assured that eventually they will get authority to allocate funds from the Center.

### Program recommendations

Evaluative indicators Are regional assemblies marginalized by better-trained regional administrators who answer to the Center? Degree of village input into regional decision-making processes--is there dialogue? Relaxation of need for regions to gain Macro-policy approval for local development projects. At present, where there is stalemate between local executives and legislatures, central government decides. In the future, how often does the legislative side win?

Programming Mission should seek opportunities to strengthen the capacity of regional assemblies and their members to contribute effectively to the ongoing development of participatory policy making

## D National elections and political contestation

Elections for a national legislature are to be held after the promulgation of the constitution. Currently, the hope is that they will take place by the end of 1997. As of now, there is one political entity with a national presence--the PFDJ. It is thus the only entity in the country capable of fielding candidates in an organized and unified fashion. Multiple parties in themselves do not make a democracy, so this is not the standard by which the process should be judged. Rather, the issue is the space for competing ideas--development priorities and plans, views of the country's needs, leadership agendas, etc. Often, space for this kind of competition is established and maintained only through competing organized political entities which are capable of mobilizing resources behind ideas, but Eritrea may provide another model.

### **Timetable**

At present, ratification of the constitution by the Constituent Assembly is planned for May 24, and National Assembly elections are expected in late 1997 or early 1998. There is some uncertainty, however, about whether this pace can be achieved.

### Program recommendations

Evaluative indicators: Promulgation of constitution and holding of elections in a timely manner.

### **Terms of electoral competition**

The rules for political party formation or the creation of other organizational bases for electoral competition have not been established. Not only does this mean that groups do not know if they have the right to organize themselves politically, but over time it hinders the development of political alternatives, as potential or nascent parties are prevented from "learning by doing," from moving beyond perhaps outmoded agendas, and/or from consolidating their own organizational resources.

### Program recommendations

Evaluative indicators: Over the short term: The degree of dissent allowed within the PFDJ, government and quasi-government organizations, and the fairness with which competing agendas are treated (are they given equal access and distribution through the PFDJ's organizational mechanisms?) Over the longer term: Legal protection of the right to form alternative political/electoral organizations and/or to compete for office without being a member of the PFDJ. (NB: This evaluation expressly does not address the formation of alternative political parties, but simply the right of formation without undue legal or extra-legal hindrance.)

### **Fairness of electoral competition**

This report has focussed on the ways in which political and economic resources are or could be concentrated in the hands of the government and its associated political, social and economic entities. Given this concern, the real issue of electoral fairness in Eritrea is seen as having less to do with fraud than with the (perhaps unintended) outcome of this imbalance of resources. Will PFDJ candidates enjoy advantages due to access to government resources?

**Program recommendations**

**Evaluative indicators** Evaluation might focus on the distribution of resources between candidates linked to government or PFDJ and those running independently of those groups, and on whether PFDJ candidates are supported by government funds. Mainly, this evaluation will require nuanced understanding of the degree to which government initiatives/services/resources are associated with the PFDJ and its candidates

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