Little Spoken Facts, Untried Solutions: Revisiting the Ethio-Eritrean Conflict*

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Exactly two decades ago, the first pages of a historical change were being written in the Horn. Change of political powers in Asmara on May 24 and four days later in Addis Ababa signaled a new era. A new country named Eritrea was born after 31 years of armed struggle and the responsibility of nation-building fell on the EPLF regime. In Ethiopia, too, a new leadership of EPRDF started running Ethiopian affairs under a different political arrangement. The two regimes enjoyed a short-lived generous friendship in the previous decade. That was not to continue and both suffered from a bitter hostility in the 2nd decade of their relationships. The impacts of these dualities of friendship and hostility precipitated a far-reaching consequences the entire region. Eritrea drifted away from its path and embarked on setting up a militaristic social system. Ethiopia had to balance its priorities and strike a delicate balance between its development programs and a high-cost deterrent military posture. The race to win and influence geopolitics in the region and beyond became a zero-sum game effort.

To date, nobody knows what exactly the net balance of the conflict looks like but there is visible signs the status quo as it exists now appears unsustainable. With certain caution, one may be able to predict the fact that a change is coming soon to the effect that the relationship of the two countries will enter a different phase of normal neighborliness. The following is an essay that looked in to the Ethio-Eritrean conflict with a hindsight advantage and tried to point out some constructive ways to solve the problem.

The Ethio-Eritrean issue has always re-surfaced as a hot discussion topic. This is a time when some studies characterizing Eritrea as a “Siege State’, and some scholars calling on Ethiopian leaders to change policy towards the Eritrean leadership to prevent Eritrea from the possibility of somalization, or from getting hit by unexpected revolution, young Eritreans choosing to risk their lives to leave Eritrea. On contrast, Eritrean leaders claim unparalleled successes in their effort of nation-building for the last two decades.

At this juncture, it would only be appropriate to reflect on some of the major events that characterize the destiny of Ethiopians and Eritreans during this period for better or worse. One such event that majorly impacted the region was the Ethio-Eritrean war (1998-2000) and the hostility that continued.
The next analytical essays will attempt to reflect on the major facts about the conflict and point to a sustainable solution.

**The Art of Halving**

Most observers were blind to the frictions between Ethiopia and Eritrea that had been developing progressively over the years following Eritrea's independence. The conflict broke out of a deceptively good relationship and quickly graduated to an all-out-war. As it stood to be a massive military confrontation between two close neighbors, the parties at war found it easier to present themselves as victims of territorial aggression from the other side. Lacking a more authentic account of the situation, the international community naively embraced this characterization of the conflict and treated it as a border dispute. So much diplomatic and international resources were mobilized in this direction in trying to end the war. Tracking and analyzing incidents occurring in Badme had consumed several diplomatic dispatches for years. However, the devastating war that inevitably followed was a clear reflection that Badme was not the real essence of the conflict. Badme still remains the physical manifestation point of the underlying tension.

The Ethio-Eritrean problem was one such that the diagnosis and the prescription were entirely all wrong. As has been the case so far, all offers of settling the conflict constructively are more likely to fail unless they look beyond the 'border dispute" misperception and shift their focus towards the real problems of the conflict. The conflict was shaped by the two parties' political culture of stubbornness and has survived due to their incompatibly divergent political policies and competitively convergent economic interests.

This analysis recognizes the significance and gravity of the border town, Badme, in the Ethio-Eritrean conflict and yet argues against the view that the Ethiopia-Eritrea conflict was about the territorial value of Badme. Badme, either for accidental or planned tactical reasons, has become more than geography and should be rightly considered as spatial manifestation of the clashing values. That village, as the Boundary Commission prefers to call it, owes the two conflicting
parties much more than any territorial value it may worth. Naturally, economic interests are mutual and competitive in the sense that in most cases, parties are better off when they cooperate and compromise. But that notion has been difficult in this case due to the incompatibility of the political policies, and more so because of the calculated risk the parties seem to have preferred over less costly alternatives that dictate compromise.

A decade later, the economic and political interests that pushed the two parties into the devastating war are still intact, now only compounded with deeper animosity and negativty. Although direct military confrontations are perceived too risky or unnecessary, the hostility level is so deep that both of the parties will do everything else in their power to unseat the other, including indirect provocations through opposition forces, direct involvement in proxy wars, diplomatic grouping and ganging up to subject the other side to isolation. That is why actions and counteractions of destabilization either by the parties or their allies have continued long after the war has ended. That trend is unlikely to change until the real causes of the conflict are properly addressed in some way. The international community has treated the conflict with a simplistic approach but a complex process. This was an art of halving the solution and doubling the problem, similar to the story of a mother, her twin kids, and the orange.

Two noisy kids were bothering their busy mother in her kitchen as they were fighting over an orange fruit. The mother grabbed the orange, picked a knife, cut it into two halves. The kids reacted with much more crying. Confused, the mother said to her kids, "what now!?" The kids were using it for experimenting on circular objects as instructed by their teacher. Let’s assume it was the only orange in house. A Non-solution would be halving it, as it meant destroying the very function. A 50% solution was to give it to one of them. Better than that could have been to help them share it optimally and use it together. That requires, of course, some level of relationship. If there was none, one must start rebuilding the ground for it.

When it comes to the conflict between Ethiopia and Eritrea, the international community impersonates that simplistic mother. The way Ethiopia and Eritrea entered and elevated the 1998 conflict was rather dramatic and mysterious. However, it is not beyond explanation. It is very unsettling to see many international groups and entities mischaracterizing the conflict. That
mischaracterization has led to a wrong solution for a problem that was never about border. That is why even long after all those military and non-military efforts, the case still begs for a real solution.

Profiling the Case

Conflicts, especially those between countries or organized groups, happened because they were planned, facilitated and escalated by the parties of interest- all for a purpose. TPLF (later as EPRDF) and EPLF (now PFDJ) had successfully fought the Derg military regime together. When they emerged victorious in 1991, the world viewed them as brothers in arms. That perception must have done so much to obscure the fundamental differences between the political projects each front sought to accomplish. Not many people knew the relationship of the two Fronts was characterized by dramatic turns of intermittent cooperation, suspicion, tension, dispute and broken relations.

Contemporary conflict analysts often mention “domination” as a factor in past relationships of any adversarial forces. We can define that concept as an asymmetrical interdependence between two forces. No side is always in 100% control, and it is usually a relationship of struggle - one side for maintaining status quo, the other change. The dominant seeks to maintain its control while the dominated tends to resist. Such situations set a condition for a conflict to emerge. The Eritrean national interest under the EPLF leadership centers on the aspiration of engineering a new identity using contradictory approaches: disassociating with Ethiopia on the political front but expanding the ties on the economic front. On the other hand, the Ethiopian government's interest focuses on maintaining a friendly political relationship, but rearranging the economic interdependence to reflect the new political reality.

Conflict analysts agree on the validity of the following four prerequisite components that lead parties to a conflict: 1-separation of identity, 2- serious grievances, 3- formulation of goals by either party to influence change on the other side, and 3- beliefs by the aggrieved party that changing the antagonist is possible. The Ethio-Eritrean conflict fits well with the typologies just described.
The EPLF had to work for clear exclusion. Inclusion would be perceived to be weakening the political arguments and goals, which is building an Eritrean identity. Eritrean leaders wanted to mitigate any talks of cultural and historical affiliations. President Isaias was on record to reject the notion that Eritrea was part of Ethiopia at any part of history. This is, indeed, a political project of discovering differences with others. Eritrea’s pattern of conflicts with almost all neighboring countries is an effort of patterning a sense of separation along the physical border. Eritrea, trying to transform itself to nationhood, needed external confrontation to assert its separate presence in the Horn. Isiaias believes Tigreans of both sides of the Mereb are decisively separated not just by the river but also by history, and rejects the notion of "same culture, same language" as a cynical Western viewpoint coming from ignorance. In reality, it can never be easy to attain a surgical separation between interwoven societies, like those in Ethiopia and Eritrea. Analysts agree that the degree to which possible adversaries are integrated might be expected to increase their likelihood of competing and fighting one another. After all, conflict is a way of relating, is it not?

Adversaries tend to avoid conflict if they are relatively equal and with smaller differences. However, parties do miscalculate and sometimes the perception factor defeats the reality. If one party sees itself more separated than integrated, believes to be stronger than its adversary and both parties view their differences as fundamentally irreconcilable, relationships of any sort play a negative role.

A sense of grievance is another component in a conflict emergence. Dissatisfactions and deprivations (or perceptions of them) are not usually formally voiced. However, the incident of wars between countries comes from challenged structural and economic relations. Changing relations between potential adversaries are often the precipitating source of one or more parties feeling dissatisfied. If the relations were positive, deterioration of them leads to conflict; if they were negative, increasing them does so.

The economic separation between Ethiopia and Eritrea was not as obvious as the political one. A sovereign Eritrea had to retain economic access to the Ethiopian market. Two-third of Eritrea’s export was to Ethiopia during the start of the conflict. The need for access to the sea
remained a paramount agenda item for Ethiopia. Both countries were using Birr, the Ethiopian currency. Their economic interdependence seemed to invite for a closer political tie. Instead, the two parties rushed to take measures in the economic frontier that mirrored and suited their diametrically opposing political projects, leaving each other aggrieved and dissatisfied.

The third component conditioning a conflict emergence is forming contentious goals. The introduction of the Nakfa before the war set ground for competing economic goals. At the heart of the dissatisfaction was Ethiopia’s rejection of Eritrea’s proposal to establish parity between the Nakfa and the Birr. That leads to the more obvious fourth component where one or both parties must believe that they can force the other to change to favorable terms. At this stage, one party must feel strongly that an enemy is standing in its way and must be removed by all means necessary. It is often the stronger (real or imagined), the richer, or the higher status group that seek more of what it already has from that who has less. The rest is about launching a war and giving it a name.

**The Last Straw No One Saw It Coming**

Eritrea had a fixation on self-reliance and speedy transformation. As soon as it became independent in 1991 (legitimized in 1993), the government started speaking disparagingly about African countries that were unable to make significant socio-economic success. Embarking on its loudly promoted policy of self-reliance, Eritrea has projected its self-image as a country shying away from foreign assistance. A small, poor country rejecting assistance from the start was puzzling to many observers. Few people bothered to check out that Eritrea was (and still is) among the top ranking international aid receivers in terms of aid-GDP proportion. Eritreans believe victory for independence was achieved against all odds and has no match in the African history. That perspective emboldened the notion that Eritrea was different, and therefore it could pursue a different development strategy. Eritrean intellectuals were already mentioning Singapore as a growth model for their country.

The Eritrean leadership preferred a strategy of utilizing its political will and military might to dominate the economic market what was perceived as a the weaker neighborhood. President
Isaias’ view on the wisdom of using force was reflected in his interview with the Washington Post. He said, “One thing I’ve learned in the last eight months is might makes right.”

Eritrea’s economic visions assumed Ethiopia to be a major export market for Eritrean industrial goods and services, and supplier of raw materials and labor for its manufacturing sector. At a symposium held in Asmara to map out economic development strategies for Eritrea, Gebru Asrat, the former governor of the Tigray Regional State, found it “very alarming” shocking to learn that 90% of the strategy papers targeted Ethiopia as a satisfier of Eritrean economic ambition. In an interview he gave to the media at later times, he remembered his feeling of unease when Eritreans talked entirely about using Ethiopia as their “backyard dumpster” in front of high Ethiopian officials including himself who were there by official invitation.

IMF in 1997 reported that Eritrea produced less than half of its annual food consumption. The remaining half was exported from Ethiopia. Since all transactions were being made in the Ethiopian currency, there was no problem in balancing the payments. Asmara was subsidizing the Birr value in all market transactions including the exchange of the Birr for the US Dollar. The Birr was cheaper in Eritrea; therefore, Eritrea was multiplying its advantages of exploiting the Birr value gaps. Tourists and investors were being encouraged to convert their foreign currencies to Birr in either Eritrean banks or Eritrean embassies abroad. The Eritrean conversion rate of Birr to Dollar was cheaper by nearly two Birr (9:1) as opposed to the official exchange rate (7.5: 1) as set by the National Bank of Ethiopia. Transactions of this sort were being carried out in huge amounts, and the cheaper Birr converted to dollar in Eritrea usually found its way to the Ethiopian markets through Eritrean businesses and turns the entire local markets in Ethiopia to Eritrea’s advantage.

Eritrea enjoyed political independence while still being part of a larger Ethiopian economy. The Ethiopians were primarily preoccupied with tasks of internal security and stability. They either were overlooking the relationship with Eritrea from a longer perspective or were generously sympathetic to the complex project of nation building by the Eritreans. Many Ethiopians accused EPRDF of being less nationalistic or naive or It could also be because the EPRDF did not want to antagonize Eritrea of its independence. In return, Eritrea allowed limited access to its ports and
harbors for landlocked Ethiopia at a discount although it kept on increasing port service prices. In 1996-1997 alone, Asmara earned one billion Birr from its sale of port services.

Ethiopia started tightening control and regulation of its commerce as its economy was weakening due to the crisis of its export standing in the world market. It wrote off some of the loosened accesses to the use of hard currency for import-export trade, like the use of francos-valuta in import trade - marking a shift of policy that effectively dried-up opportunities for Eritrean businesspersons. When all import-export activities and commercial transactions started to be processed through banks, the Eritrean government tried to set up a bank business called Horn International in Addis Ababa using individuals of Eritrean origin as shareholders. In just three days after the official inauguration, the Ethiopian government shut down Horn International upon learning that the Eritrean government was the real owner of the Bank.

These economic issues weighed heavily on the already tense Ethio-Eritrean relationship. Each side accused the other of foul play. Eritrea loudly criticized Ethiopia on its interest rate and indirect tax policies. President Isaias characterized Ethiopia’s measures as “protectionist.” Then, the Eritrean government hinted in early 1997 that Eritrea would be better off if it had its own currency. President Isaias justified the new move referring to the different fiscal and monetary policies both countries pursued. Eritrea, then introduced Nakfa as its new national currency. Many international observers misunderstood Ethiopia’s position concerning Eritrea's decision to use its own currency. In fact, Ethiopia welcomed the Eritrean move hoping the Nakfa would enable to protect the Birr from unfair practices by Eritrea. If both sides welcomed Nakfa, then what was the problem?

Eritrea forwarded two proposals of which one suggested parity exchange rate between Nakfa and Birr and free floating of the two currencies in both markets. Should Ethiopia not agree to the first, Eritrea also demanded that Ethiopia convert Eritrea’s stock of old Birr into U.S. dollars. Ethiopia rejected both demands proposing that both currencies would have to be mediated by international currency. Ethiopia also suggested that IMF experts be involved and help in
seeking a fair solution for the (old) Birr based on accepted practices of other countries that managed a similar situation in the past.

Eritrea clearly displeased with Ethiopia’s stand though reluctantly agreed with the second suggestion, but conveyed its uneasiness. In an interview President Isaias gave to Aser magazine editor, he stated, “we don’t see it to be helpful for both countries to conduct trade between them through the medium of dollar and banks. However, if the Ethiopians want it that way, they have the right. Of course, we will not be obstacles to Ethiopia’s decision nor should we be expected to be partners in facilitating a policy as we don’t believe it is a good policy.”

By the time the Nakfa became Eritrea’s sole tender in December 1997, the Ethiopians had issued a new set of Birr notes to block any possibility of redeeming the old currency by Asmara. For Eritreans, Addis Ababa’s actions constituted an unfriendly act. Eritrea now needed the option of using a force to bring the Ethiopians back to their senses. It took a small incident in Badime to elevate the conflict level to a national status.

Consequences Mistaken for Causes

It is difficult to pin point the real causes of the war. Even the warring parties claimed they were thrown into it without the slightest anticipation of its coming, both claiming to be a victim of aggression by the other. How and why the war happened remains a mystery even to those who started it. “It is very difficult to easily find an answer,” said President Isaias to Washington Post when asked about it. “I was shocked and puzzled” said Prime Minister Meles on his part and likened the Badme incident to what happened in Pearl Harbor.

The Ethio-Eritrea conflict escalated to a full-blown war rather dramatically. Trouble was brewing for years below the surface waiting to explode like an active volcano. Nowhere in the bilateral dealings was the border dispute mentioned to be the actual cause of the tensions until the summer time of 1997, when it suddenly became urgent agendum for the two governments. Like all national and international divides in Africa, the borderlines between Ethiopia and Eritrea at points are arbitrarily separating people who once lived together. People were related by blood
and intermarriage, and international borders meant very little to them. Even before the breakout of the 1998 war, incidents along the border were common occurrences. Occasionally, there were mild complaints of cross-border activities related to grazing and settlements which local officials resolved.

In August 1997, President Isaias wrote a handwritten letter to Prime Minister Meles suggesting the establishment of a Joint Border Commission. The border issue had never constituted this level of urgency prior to that presidential letter. PM Meles, in his reply, agreed to the suggestion and quickly moved onto issues related to the currency change. President Isaias shot back another letter—this one stronger than the first one. He steered the emphasis back to the border issue, and urged PM Meles to give it top priority.

In its first meeting on 13 November 1997 in Asmara, the Joint Commission agreed to create technical sub-committees of experts to study the border disputes. The second meeting of the joint commission was scheduled to take place in Addis Ababa on 8 May 1998. The Eritrean delegates hastily left Ethiopia after a one-day stay in Addis.

There had been conflicting reports with regard to what happened on May 6 along the common border. Eritreans said Ethiopian troops fired on an Eritrean platoon on the border killing several Eritrean soldiers on the spot. Ethiopia reported a different version in that several armed Eritrean soldiers entered Ethiopian territory in the Badme area triggering a minor incident. Whatever was the case, the May 6 clash did not seem to constitute a major crisis since the Eritrean delegation to the Joint Commission led by their Defense Minister had agreed to go to Addis to continue the talks with its Ethiopian counterpart.

On May 12, 1998, Eritrea attacked the Badme area, which has been under Ethiopian control for years. What happened on May 12, 1998 was a major event that contributed to the escalation of the conflict. Five years later, after the war had ended in 2000, the Eritrea-Ethiopia Claim Commission (EECC), set up by the Algiers Peace
Agreement (APA) to investigate the responsible party in causing the war came up with the following findings:

The evidence showed that, at about 5:30 a.m. on May 12, 1998, Eritrean armed forces, comprised of at least two brigades of regular soldiers, supported by tanks and artillery, attacked the town of Badme and several other border areas in Ethiopia… [The] weight the evidence indicated that the Ethiopian defenders were composed merely of militia and some police, who were quickly forced to retreat by the invading Eritrean forces. Given the absence of an armed attack against Eritrea, the attack that began on May 12 cannot be justified as a lawful self-defense under the UN Charter.

On May 14, 1998, the Ethiopian parliament formally condemned the aggression and demanded immediate and unconditional withdrawal of Eritrean forces, or else Addis Ababa would be forced to exercise its right of self-defense to protect its sovereignty. The Eritreans were clearly surprised that the case was taken to the Ethiopian House of Representatives. President Isaias then insisted on direct talks with his counterpart Prime Minister Meles. Ethiopia insisted on returning to \textit{status quo ante}, to the status prior to May 12. Mutual friends of the parties shuttled back and forth, and tabled peace proposals. One such well publicized proposal was jointly forwarded by the U.S. and Rwanda.

The US-Rwanda proposal required the Eritrean forces to withdraw from areas they invaded. It was accepted by Ethiopia and rejected by Eritrea. Eritrean leaders would never agree to proposals that called for withdrawal. A famous quote from President Isias’ interview explained the Eritrean position clearly: “The world should know that we will never pull out of Badme. We let ourselves out of Badme would mean like the sun has set forever.” When the Ethiopians launched their first military operation to retake Badime from the well trenched Eritrean forces, they named it “Operation Sunset” with intent to humiliate President Isias.

Conflict analysts would agree that so far as antagonists view themselves as struggling with a clearly bounded system that they constitute, they are likely to see themselves involved in a zero-
sum conflict. Terrence Lyons, an expert on the region describes the political culture of the
leaderships in the region as lacking a compromising attitude and is largely driven by motives for
“absolute victory”. President Isaias set a goal and sought to achieve it by projecting a mighty and
invincible Eritrea, which would help him in building a new national identity. Prime Minister Meles
said the Eritreans’ action was clearly an act of bullying. His problem was rather different. If he
appeared appeasing the Eritrean leaders for the sake of making peace, he would be confirming to
the charge by his political opponents who had always portrayed him as a weak nationalist. PM Meles in an interview with BBC said he would be failing as Ethiopia’s leader if he did not meet
force with force. There seemed that there was nothing left untried to convince the two parties from
going to war.

At the early stage, the Eritreans tried to capitalize on their military advantages, and made
deep territorial advances on all fronts. Ethiopia struggled to halt the Eritrean military penetration
further to the hinterland on all fronts. The Eritreans gained more areas but could not advance
further as the hastily deployed Ethiopian army eventually halted them. Their strategy then shifted
from moving deeper to consolidating and fortifying the land they already held. Ethiopia opted to
buy time so as to strengthen its military before launching a major offensive. Even though peace
talks resumed, the two sides never reversed positions. They were using the peace talks to buy time
for the make-or-break war that was about to happen.

In 1999, Ethiopia launched a couple of major operations and retook the Badme area but
failed on the Tsonora front, in the central sector. In 2000, the Ethiopians opened their final
offensive and overran the Eritreans on all fronts advancing deep into Eritrea. With this change in
territorial control, a peace agreement was finally signed in Algiers by both parties. The 2000
agreement was marked by an official cease-fire, cessation of hostilities, and the establishment of a
Temporary Security Zone along the border inside Eritrea to be monitored by U.N. forces.

Describing what happened seems to be more obvious than explaining why it happened.
There are two issues here that need to be addressed clearly: first, Eritrea was the party that took the
initiative to attack and take over Badme that constituted the start of the crisis. Second, the border issue and Badme seem to be the consequence of the crisis, not the cause. The war that could have been avoided had happened and consumed over 70 thousand lives and billions of dollars from these two poor neighboring countries. The question now is: can the two countries and stake holders work genuinely on bringing about sustainable peace by tackling the real causes and stop treating the consequences?

**Regional Dimension of the Conflict and U.S.'s Unique Role**

Most conflicts are internal in their primary composition, however, some conflicts involving opposition movements may spillover to neighboring countries. We may also consider John Lederach’s advice in that as much as the dynamics of conflicts is not limited to the nations of the primary actors; it is not necessarily an international brand that fits to typified macro standards. A free–size lens is needed here in trying to understand conflicts through internationally standardized macro lenses. Analysts say that many contemporary armed conflicts are most accurately defined as internal and internationalized.

The Ethio-Eritrean conflict can be contextualized as tri-dimensional: international because it is between two sovereign nations, intra-nationalized because it has involved opposition parties of both countries, and more internationalized because it has affected neighboring countries like Somalia. The effects of the conflict have spread throughout the region. Ethiopia and Eritrea have supported armed opposition groups fighting to overthrow each other’s government. Eritrea has supported Ethiopian separatist insurgency forces such as the Oromo Liberation Front, OLF and the Ogaden National Liberation Front, ONLF, all operating in eastern and southern Ethiopia. Eritrean arms have been channeled to these movements via Somalia and other entry points since the start of the Ethio-Eritrean conflict.

In response, Ethiopia has been sending troops into south-west Somalia, with the aim of setting up a buffer zone that will prevent OLF/ONLF infiltration into Ethiopia’s vulnerable southern and eastern regions. Ethiopia had also been supporting Somali factions that it favors. This has been an ongoing process. Parallel to Ethiopia’s support to the Somali Transitional
Government, the Eritrean government has been supporting the Somali insurgent forces such as *al-Shabab* and *Hizbul Islam* that are fighting the transitional government as well as the African Peace Mission forces. By flooding Somalia with weapons in support of rival factions, Ethiopia and Eritrea might have inadvertently reignited the country’s conflict, which had otherwise appeared to be dying out because of war fatigue.

The main beneficiary of the Ethiopia-Eritrea conflict appears to be the Sudanese government. US strategy in the region had initially envisioned an Ethiopia-Eritrea-Uganda alliance as containment against Sudan’s Islamist government in the region and at the same time protecting US interests. Until the outbreak of the war in 1998, both Ethiopia and Eritrea were hostile toward the Khartoum government. They both provided political and material support to Sudanese opposition forces. With the outbreak of the war, however, this anti-Khartoum alliance collapsed. The Sudanese government now finds itself in the unlikely position of being courted by its two enemies; both are now willing to reach out to the Sudanese government for stronger relations. It would be interesting to witness how the now more certain north-south partitioning of Sudan will impact the geo-political alignment of forces in the region.

Another country in the neighborhood to which the Ethio-Eritrean conflict brought a windfall of economic and diplomatic advantage is Djibouti. With the outbreak of the war, Ethiopia lost its access to the sea via the Eritrean ports of Assab and Messawa. Eritrea, on the other hand, lost hundreds of million dollars in revenue. Ethiopia had to turn to Djibouti, which had undertaken a major refurbishment of its port facilities. Since the conflict, Djibouti has experienced a dramatic increase in its port activity. Djibouti has forged strong links with Ethiopia, severing its ties with Eritrea, which it accused of trying to destabilize the region. Djibouti is now envisaging the opening of another port to exclusively serve the growing demand of Ethiopia. Eritrea’s uneasiness in Djibouti’s accidental fortune as a major provider of port facility is understandable. Eritrea and Djibouti recently clashed over a border dispute prompting a UNSC’s resolution that sanctioned Eritrea and demanded the withdrawal of its military from Djibouti’s territory. Ethiopia and Djibouti reportedly are jointly patrolling the road and rail links between Addis Ababa and the Port of Djibouti to protect against attacks by Eritrean-sponsored rebel groups.
Ethiopia has also been using Berbera on the Somaliland coast as a supplementary gateway. Speculations has it that this might lead to a decision by Addis Ababa to recognize Somaliland, a scenario embodying further regional and international dynamics in terms of preserving Somalia as one country. It seems that Addis Ababa must have been restraining the temptation to recognize the self-declared independence of the de-facto administration in Somaliland as a price to the privilege it enjoys hosting AU head quarters. Experts in the region that it might not want to preempt the AU. Nonetheless, Ethiopia appears to recognize that the Somaliland government has been stable and functioning relatively well including conducting democratic elections. Ethiopia has long maintained a de facto relationship with Somaliland, falling short of full diplomatic recognition.

The impact of the current Ethio-Eritrean conflict on the regional groupings is clearly visible in Eritrea’s strangely declared support for Egypt’s position on the Nile Waters controversies just before the popular Tahrir Revolution erupted. While his country itself belongs to the upper riparian group, the Eritrean president Issayas Afeworki has voiced support to the unjustified and rigid policy of Egypt on the Nile issues. Some Egyptian economists have strongly opposed Eritrea’s support calling it a superficial advice calculated to incite conflicts between Egypt and Ethiopia.

In trying to isolate Asmara, the Ethiopian regime, on its part, tried to incorporate Sudan and Yemen into one alliance block, called the Sana’a Forum. This clearly was a dramatic shift of alliance considering that Eritrea and Ethiopia had jointly stood against Yemen not long ago, during Eritrea’s trouble with Yemen over the Hanish Islands. The Sana’a block has not been effective and could not go far in terms of squeezing Eritrea regionally. That is because Yemen and Sudan have their own domestic problems and they did not want to play with fire and push Eritrea to the extreme.

The U.S. is using Djibouti as a watchtower to monitor and respond to terrorist activities in the strategic regions of the Horn and the Red Sea. From a geographic perspective, Eritrea might have been a better choice to station U.S. military facilities than the much smaller Djibouti, also hosting a French military base. Besides, Eritrea’s expressed wish to host American forces at the time has been reported by major media outlets. In 2002 President Isaias made an offer to the then
U.S. Defense Secretary Donald Rumsfeld who was visiting the Horn countries. The Eritrean leader at the time said, "We have very limited resources, but we are willing and prepared to use these resources in any way that is useful to combat terrorism. The United States can have access to Eritrea's military bases as part of its war against terror." Mr. Rumsfeld did not clearly disclose then if the U.S. would take up Eritrea on its offer beyond stating that he was there to thank the Eritrean government for its support on the war against terrorism and that his visit was not about making any specific transaction. Secretary Rumsfeld left Asmara for Addis Ababa to meet Ethiopian leaders on similar mission. A week before that the Ethiopian Prime Minister Meles Zenawi and Kenyan President Mwai Kibaki were in Washington as guests of President George Bush to discuss regional security issues.

Eritrea’s eagerness to have U.S. forces stationed in the Assab area also was confirmed by a media interview with the then Eritrean Ambassador to the United States, Girma Asmerom. Assab, it should be noted, became utterly non-functional since the entire Ethiopian import-export traffic shifted to Djibouti. Politically, Assab has been an important port city that has influenced Ethiopian national debates. Many Ethiopian intellectuals and politicians in the opposition parties accuse the ruling party, EPRDF, of agreeing willingly to make Ethiopia a landlocked country. And to this day they continue to insist on pushing the current leaders to find a way to claim Assab back.

The Eritrean government keeps telling its people that Ethiopia will never relinquish Assab, and attributes the recent wars partially on Ethiopia's obsession in repossessing the port city, even though, the Ethiopian Prime Minister has referred to Assab as part of Eritrea. When Mr. Meles was asked why his forces did not advance to retake Assab during the last war, he replied, "we need not take Assab by force because it is there only for us to use it or else it would have no use at all except for watering the Afar camels.” With this in mind members of the Ethiopian House of Representatives confronted Prime Minister Meles about the reports of U.S. plans to use the port of Assab as base for its counter terrorism activities. Meles explained that he had been given assurance from the U.S. administration that there would not be such a plan.
War between Ethiopia and Eritrea, two of its closest allies in the continent, was deemed to pose serious threats to U.S. interests in the entire region. That is why the U.S. as a neutral but influential party continued to engage in direct negotiations with the two parties albeit un成功fully except for the brief moratorium President Clinton brokered in the tit-for-tat air war during the earlier stages. For two years, U.S. policy has been confined to ending the conflict without addressing the combatants’ underlying concerns, out of either ignorance or expediency. Nevertheless, Washington appears to treat Ethiopia and Eritrea as equal partners in the coalition of the willing, on the war against terrorism. That is why both governments had enthusiastically supported Washington's war against Iraq. Later, Eritrea started falling out of Washington's anti-terrorism coalition.

One reason (out of many) for the deterioration of U.S. - Eritrea relationship U.S rejection of the Eritrean offer of Assab. Apparently, U.S. officials rejected the offer not to upset Ethiopia or so it is perceived. The U.S. -Eritrean relationship has dramatically altered to the point where s the U.S. once considered the option of listing Eritrea as a sponsor of terrorism due to its involvement in helping extremist Somali forces. The, U.S. was also instrumental in passing the UNSC sanction resolution imposed on Eritrea citing Eritrea’s support to radicals in Somalia and its destabilizing role in the region. In contrast, Ethiopia remained a key partner of the U.S. and is reportedly one of the major U.S. foreign aid recipients in the Sub-Saharan Africa.

**And What Part of the Algiers Agreement Is not Dead**

One must keep in mind that the Ethio-Eritrean war started in the remote border town of Badme. The international community moved quickly to help the parties avoid going to war and solve their problem amicably. Initially, diplomats and mediators must have been tested by the boring task of verifying the claims and counter-claims of playing victim by the parties. The amount of time and energy the fact finding processes consumed was enormous. It leads one to wonder if it were more than a coincidence that the remotely located Badme happens to be the flash point for the clash. Third parties had no way of knowing what exactly happened in the remote plains of Badme. Mediators were visibly at a loss to distinguish the victim from the aggressor. It
took years to answer simple questions about the exact location of Badme in relations to the border; who was administering it before the attack; what happened on May 12th and the previous days.

The US and Rwanda, through the efforts of Ms. Susan Rice who was then in charge of African affairs for the U.S. State Department and the then Vice president Paul Kagame of Rwanda, were organizers of the first international effort to mediate the Ethio-Eritrean conflict. Involvement of third parties continued at the levels of the Organization of the African Unity (OAU), Intergovernmental Authority on Development (IGAD), the UN Security Council and the European Parliament. However, all these efforts could not stop the war from happening. It was only after two years of tense confrontations and three rounds of devastating military operations that the Algiers Peace Agreement (APA) was signed in December 2000.

The APA provisions led to formulations of different implementation mechanisms and structures. The United Nations Mission for Eritrea and Ethiopia (UNMEE) was formed to oversee the 25KM range Temporary Security Zone (TSZ) along the border into the Eritrean territory. TSZ was basically created to separate the two armies and facilitate border demarcation. One other central component included in the Algiers document was the agreement of both parties to set up Ethiopian Eritrean Boundary Commission (EEBC) responsible for delimitation and demarcation of the border. The parties also inked their agreement to undergo investigations to determine the causes of the conflict and single out the responsible side in order to rule on issues of damage compensation. The Ethiopia and Eritrea Compensation Commission (EECC) took these responsibilities.

There are already growing doubts whether the APA has hit a dead-end. Short of official declaration, it can be safely asserted that for all practical purposes and intentions, APA is virtually dead. The UNSC has officially terminated UNMEE before the realization of any physical demarcation; the official buffer zone TSZ is abolished and currently occupied by Eritrea. EEBC dissolved itself later, after delivering its final ruling in April 2002 but before carrying out border demarcation. The EECC is the only APA-born structure that seemed to have completed its
mission. The UNSC in its last resolution has made it clear the two parties are the only key holders for peace and are left by their own until they willingly welcome international assistance.

To date, Ethiopia and Eritrea have been stuck in mutually destructive hostility. Both have gone to great lengths to harm the other side and have been arming internal opposition and outside proxy forces. Although there appears to be a weaker appetite for direct military confrontation on both sides (albeit for different reasons), observers continue to warn on the fragility of the situation that minor provocations and miscalculations can ignite the conflict beyond anyone’s control. Apart from the relative shift of military strength to the Ethiopian side and the deeper bitterness from the last wars on both sides, the Ethio-Eritrean conflict can now be characterized as in a stalemate. Peace and good neighborliness are not in the horizon. Mediators are not in a better position to help the parties. Actually, mediators still do not seem to be motivated to try to understand the real causes of the conflict. The conflicting parties are not in any way softening up their attitudes. Animosity and mistrust remain so strong that they appear override all other sensibilities. If the parties lack a fresh reason or an objective capacity to launch a war, they will always find other ways to harm each other.

All efforts for peace and reconciliation between Ethiopia and Eritrea have thus far failed miserably because of their inherent weaknesses. Those efforts suffer from an over simplistic approach in favor of expediency. The real causes of the conflict, which emanate from divergent identity perspectives and competing economic interests of the parties, were short-changed for a border dispute. All third party efforts including mediations, arbitrations and rulings contributed nil at best or negatively at worst in bringing the conflict to a peaceful closure. There are plenty arguments asserting the international approach may have sidetracked the peace process to unnecessary complications and unintended consequences.

Next were the two broad positions that appeared generally agreeable among members of the international community during the initial stages of the conflict: 1- aggression must not be rewarded, and 2- war must be avoided. However, most of the focus was put on the latter. The international community was correctly worried about the consequences that in the event these two
countries choose to fight each other, the obvious result would be weakening themselves beyond
cure and consequently destabilizing the region.

The argument of "two poor countries cannot afford to fight" is clearly a flawed one. Generally, countries, poor or otherwise, would always be better off when settling disputes without going to war. That aside, no country was ever seen necessarily hesitating to go to war just because it was poor. In fact, most wars emerging from intergovernmental and territorial conflicts occurred in the poorest parts of our world, notably in Africa. The question of affordability in fighting a war appears to be confusing the notion of cost-effectiveness with soundness of a judgment.

There are now proofs and circumstantial evidences to refute the border dispute argument to be the primary cause for the Ethio-Eritrea conflict. The issue of border and territorial claims were used as an excuse to legitimize the conflict in the international stage and sensationalize it for national mobilization. The three rounds of wars, the endless diplomatic shuttling and negotiations in The Hague, the UNSC resolutions and AU Frameworks have all been unable to close the deal. It would seem reasonable now to assume that no effort in that direction would ever bring the two adversaries to peace and normal interactions.

There is a continuous tendency of the Eritrean politics on the one hand that gives excessive emphasis in constructing national identity based on rewriting the past and browbeating the neighborhood in to a favorable future. While Ethiopian leaders surprised the entire world in tolerating and sometimes facilitating Eritrea’s new political identity reengineering project, they were not equally generous when it comes about accommodating Eritrea’s economic ambitions. Within this context, one can make a list of immediate causal factors of the conflict. At the heart of troubling the relation has been the introduction of the Nakfa currency and the changed economic relations between the two countries resulting from it, i.e., Eritrea's desire to establish parity between the Nakfa and the Birr and Ethiopia's wish to regulate the relation between the two economies through a third international currency.
Analysts will remain unable to connect the dots and make a sensible explanation of the devastating war unless they start seriously considering the introduction of Nakfa as a game changer event in the context of the Ethio-Eritrean conflict and look into respective interests of the parties associated with that event. Displeasure of Eritrea over the new economic arrangement proposed by Ethiopia, and displeasure of Ethiopia over the alternative arrangement suggested by Eritrea was visible. Ethiopia moved with its new plan disregarding Eritrea's irritation, only to learn weeks later of the new turn of events accompanying serious complaints and claims from Eritrea along the Eastern and Western borders.

The author of the, *Peace Building*, John Paul Lederach describes how psychological elements such as a perceived threat to identity and survival play a critical role in escalating and sustaining conflicts. The contested issues of substance (such as territory) are intimately rooted in the cultural and psychological elements driving and sustaining the conflict. Other factors that may have been contributors to the conflict are the errors of assumption pertaining to the relative strength and weakness of one party by the other, the undemocratic and secretive nature of the cultural environment of the region, the excessive tendency of informalities in the relationship and the separation of the two countries after independence as well as the organizational animosity between the two leaderships.

APA is nowhere close in addressing these real issues. Had there been any serious border issue, it would have surfaced 5 years earlier during the Eritrean referendum for independence. One can conclude from the preceding arguments that the border-focused APA and its entire accessories were irrelevant in terms of fixing the has-nothing-to-do-with-border problem between Ethiopia and Eritrea. Yet again, relevance and validity aside, even the organs that were set up to facilitate and finalize the ends of APA have already phased-out prematurely one after the other. APA is now without a functioning infrastructure and nothing in its provisions seems actionable, as is today.

**Demarcation, Dialogue: the Puzzle of Which “D” First; or Should It Matter**

Assuming the Ethio-Eritrea conflict has been evolving through the commonly known conflict phases- namely: confrontation, mediation, agreements and implementation- it can be
described as a process that has spanned to the very last stage. In fact, even some elements from the fourth stage, such as the delimitation, have been completed. Yet, it can be characterized as a conflict process that seems to have never moved an inch in terms of sustainable settlement. It appears the journey has come full circle as we witness the prevalence of the initial conflict compounded with more hostility and rhetoric from both parties.

We can hardly overemphasize the fact that understanding the conflict has been perplexing and tracing back the real agenda has become a complicated task. For reasons that have been explained earlier, the two parties and the rest of the world identify this conflict as a border conflict after a decade the entire process seems to have hit a dead end. Can this quagmire be solved and give way to a new peace process?

Eritrea has a simple answer: demarcate the border according to the EEBC ruling however rough-cutting or illogical it may be. Ethiopia’s reply, however, is not consistent and as simple as that of Eritrea. However, Ethiopia’s position can be simplified into one important word—“dialogue”. The UN, the US, and the rest of the world have never explicitly called for demarcating before dialoguing or vice versa. The international community, on the other hand, seems to favor demarcation and dialogue to go hand in hand simultaneously or demarcation followed by dialogue. In a nutshell, it is instructive to note how the entire conflict settlement evolved around this two magic D-words. It is the kind of the classical puzzle of precedence: the egg or the chicken.

At the heart of the problem is the ruling of the independent Boundary Commission established to demarcate the contested border. Both sides agreed in advance that its decision would be final and binding, but the ruling produced a stalemate that has brought them back to the brink of war. The primary cause of disagreement is the small, dusty border settlement of Badme, where the 1998-2000 war started. Having initially welcomed the boundary decision, Ethiopia reversed itself upon learning that this town – against the expectations of both sides – had been awarded to Eritrea. After more than two years of trying to revise the decision, Ethiopia appears to have been sending confusing signals: first, calling the ruling “unjust and illegal”; later, accepting in principle; and lately, accepting it without precondition but insisting on the necessity of dialogue.
Ethiopia’s former foreign minister Seyoum Mesfin, in a letter to the Security Council on 31st October 2005, repeated his government’s earlier acceptance of the decision “in principle” and added a new qualifier of “no precondition”. In a subsequent letter on 9th December, he emphasized Ethiopia’s eagerness to engage Eritrea in a dialogue looking for a “win-win outcome which is consistent with sustainable peace.” Ethiopia has not been prepared to clearly separate the issue of dialogue from that of demarcation. In another correspondence, Ethiopia said that it was committed to dialogue to implement the demarcation so as to achieve normalization and address all issues that have been at the root of the crisis. On the other hand, Eritrea’s position was a consistent refusal of any perceived talks before demarcation. When the EEBC declared its decision of “Virtual Demarcation” before it dissolved itself, Eritrea first rejected and later accepted and applauded it as a remarkable innovation. Ethiopia, of course, dismissed the virtual demarcation as a discourse of “legal non-sense” from the Commission.

Demarcation is practically impossible in the absence of TSZ, UNMEE, EECC and Ethiopian consent. Even if demarcation was possible and Ethiopia allowed it, it is very unlikely it would produce the intended peace and neighborliness as explained in the earlier arguments. Even if dialogue was possible under the existing conditions and Eritrea agreed to it, it is highly unlikely the parties would be able or willing to transform the conflict to peace and normalization. Dialogue and Demarcation, separately or simultaneously, seem to be fundamentally lacking the merit to bring a sustainable peace for these two fraternal societies. John Lederach’s Peace-Building Model through Reconciliation might provide some good help on positively handling the Ethio-Eritrean conflict. Like any society divided by war and animosity, a sustainable reconciliation process may work better than the options tabled so far.

In the event of an armed conflict, people seek security by “identifying with something close to their experience and over which they have some control” says Lederach. According to this intellectual mindsets are framed as direct function of antagonism, hostility and enmity in an aim of strengthening self-identity as direct reflection of external threats and enemies. It can be concluded that in the absence of workable conditions such as levels of trust and shared hopes, solutions will not be viewed fairly and favorably with constructive aspiration. Like Kriesberg, Lederach
observed the negative role cultural and geographical immediacy and close proximity plays into stereotyping and radicalizing the combatants about their perception of each other. Ethiopia has some reservations about the proposed demarcation. These reservations, Ethiopian leaders say, can be addressed through dialoguing. On the other hand, dialogue cannot resume because of Eritrea’s refusal. Eritrean leaders see no merit for entering dialogue before demarcation. As has been the case thus far, either of the parties will always refuse all other mechanisms towards dialogue or demarcation.

There is no direct military confrontation between the two combatants at this time, but that might change anytime as the hostility and animosity escalates. The only way to know the two parties will not fight again is if they embark clearly on the path of peace and compromise, which at the moment is nonexistent. To the contrary, observers are concerned about what they see with regard to military build-ups along the common border, as well as the escalation of proxy wars in Somalia, and the increase of support both give to opposition forces in the region- a clear indication nothing is working so far. The aggrieved parties as well as the international community must acknowledge that there needs to be a new approach to the conflict.

Laderach advocates restoration and rebuilding of a relationship and calls for an approach that goes beyond the mechanical strategy that addresses the relational aspects of reconciliation as the central component of the peace building project. Demarcation could be constituted a technical approach but should not be confused for a general framework. It is unfortunate that the relationship aspect is often neglected contrary to its vitality as a sure tool to work on a long-term solution. Delimitation, demarcation and peacekeeping mission activities symbolize more of a separation rather than reconciliation. Reconciliation signifies two sides working as humans-in-relationship. Moreover, reconciliation is the transformational point of a relationship into a constructive paradigm that envisions a protracted conflict as a system and focuses attention on relationships within the system.

The entire focus in solving the Ethiopian Eritrean conflict has so far been on making a less messy separation instead of restoring the relationship in full. This could be the vehicle that would
move the process into a better future. The two countries share a common that both could build upon for a good relationship. Even if they want to shelve the past for political convenience, their economic bond is too real to shy away from. Laderach’s reconciliation model has a component that envisages the shared future and also addresses the past “without getting locked into a vicious cycle of mutual exclusiveness inherent in the past”. The author stresses how acknowledgement of past misdeeds and pains could be decisive in the reconciliation dynamics. A devastating war of this scale between fraternal societies like those of Ethiopia and Eritrea leaves so much pain and loss. There has to be a way to work for a realistic reconciliation where the past is entertained for the sake of the future by honoring truth, justice and peace.

In context of taking lessons to prevent similar conflict traps from happening again, the entire Ethio-Eritrean conflict can be looked at retrospectively in three parts: the emergence of the conflict, the war and the consequences of the war. Regrettably, analysts and mediators have ignored this matter and they still stick to their characterization of the conflict mostly as no more, no less than a border dispute. The second part concerns the war itself. There is no illusion the war has caused a lot of irreversible damages and permanent scars to both societies. As much as it is difficult to totally ignore this fact, it is impossible to account and compensate for all the cruelties and losses that happened during the war. However, a bilateral commission of wise men and women from both countries could study at least the worst cases of those instances and come up with recommendations for the two countries. But, much of the consequences of the war are to be passed with the moral tools of mercy and hope for the sake of the future. Because reconciliation in essence represents a place where concerns about the past and the future can meet in an optimistic spirit.

**Interdependence Curse**

The economic strictures of Eritrea and Ethiopia are so interlocked that trying to separate them is a disadvantage rather than an advantage. There so much to lose by separating the two economies, which not only stifles growth but continues to be a source of tension and conflict for the region. The International Monetary Fund’s report on Eritrea in 2000 revealed an economy in crisis way before the impact of the devastating war was felt in Eritrea. A major source of income,
remittances from overseas, has declined increasingly and more exponentially since 2000. There
has been a fluctuating growth of GNP ranging between 2%-5% over the years but much of it has
been due to the government spending on the war and the military. For example, Eritrea reported its
defense expenditure at 62 percent of its total budget in 1998 and 61 percent in 1999, a huge figure
by any standard. However, Eritrea’s smaller economy is more sensitive to any abnormalities and
imbalance compared to Ethiopia. Nonetheless, the Ethiopian economy has also suffered
significantly from the war.

Eritrea’s rulers must shape the country’s future within the economic realities of their own
circumstances and the region. Judging from Eritrea’s interactions with its neighbors since
independence, a viable future lies in its cooperation with Ethiopia and its institutions. Eritrea must
not go any farther to learn that no country has built a healthy nation by exporting subversion
instead of produces. Ethiopia, on the other hand, must not hinder the development of the Eritrean
economy, and must permit its neighbor to compete on an even playing field. The two countries
have to build a new political relationship. Eritrea must provide Ethiopia with a secure access to the
sea by opening up its ports and thereby allowing Assab and Massawa to be revitalized. This could
open the door for Eritrea to be a positive participant in the Ethiopian economy. Both sides need to
develop and use joint economic planning and institutions so as to eliminate future unilateral
actions. Ethiopia and Eritrea could also apply the American Canadian model in which both
economies function together but polities remain separate and sovereign.

Since the start of the conflict, Ethiopia and Eritrea freely used internal subversion (and very
recently the Somali crisis) as a weapon to get at each other. These activities will undoubtedly leave
problematic legacies on future relations. Ethiopia and Eritrea might again try to work together to
end the strife in the Horn and thereby gain the peace dividends with renewed trade, growth of
capital, and more economic developments. Putting the crisis behind for the greater good would
also help them change their images positively. Addis Ababa and Asmara must cooperate in
creating a common market by including countries like Sudan, Somalia, Djibouti and Somaliland.
Traders, farmers, nomads, migrants and refugees have ignored the national border issues for years,
and it would be advantageous for the governments to recognize this fact by legalizing and opening
up the borders. The Birr, the Nakfa, the Shilling and the Franc can be replaced by one common currency. As much as the 1998 Ethio-Eritrea conflict was about the currency, replacing the Birr with a new currency acceptable by Asmara and Ethiopia would have been prudent and a wise decision by the two leaders to avoid recurring conflict and havoc.

If neither Ethiopia nor Eritrea embraces the process of accommodation, then the Horn would be destined for chaos and violence that will in turn retard economic and political development, impoverish people, and keep the Horn Africa in turmoil. The way out of this dilemma is for Eritrea to be permitted to build its economy and for Ethiopia to play a central role in the Horn of Africa. These goals require new constructive approaches and arrangements not only on ways of securing the future but also on less painful ways of redressing the past. Lederach says that in reconciliation “envisioning a common future creates new lenses for dealing with the past” constructively.

In this analysis of the Ethio-Eritrean conflict and peace prospects, we outlined the complications, the wrong departures and the successive failures to bring about a constructive closure to the problem. We have argued the conflict was never about border or territory. The wrongly crafted agreements and consequent engagements in arbitrations and investigations did not work. Although there have been a wide range of efforts in place, peace and normalization are nowhere in the horizon. In fact, in some aspects the conflict is escalating as the parties seem to have resumed the fighting through proxies and cross-border incursions.

The conflict between Ethiopia and Eritrea has two parts, namely: the identity interest divergences and the economic competitive interests. In our analysis, we have tried to redirect all efforts to solving this problem and building the economic future of the two countries. We have tried to emphasize that tension will escalate unless the economic relationship between the two countries starts reflecting the natural interdependence of the two economies. Should both or one of them become uncomfortable to adopt either Nakfa or Birr as their currency, they can always come up with a common hybrid currency which symbolizes solidarity between the two countries.
There needs to be a shift of paradigm on how to approach the entire conflict. The mindset of the two parties should be couched towards reconciliation. Reconciliation should be the new approach that envisages the future optimistically and addresses the past wrongdoings with some level of justice and forgiveness. Within the reconciliation approach, defusing the confrontation, building a mutual economic system, discussing multi bilateral and regional agenda, and even demarcating the border would not be difficult to work out. Reconciliation helps the two parties help themselves to share the problem, own the solution and maximize their interests. When trust is based on the durability of interdependency, even former antagonists can learn to cooperate.

The two leaderships need a great deal of compromise and pragmatism to bridge up the fundamental divergence between their political visions. Interestingly, they used to exercise higher degree of pragmatism and compromise in their earlier cooperation before they assume governmental powers. Both parties, more so on the PFDJ side, dropped those political qualities when they became governmental powers in their respective nations.

The way out of this dilemma should not be sought in pretentious approaches such as in the agenda of border demarcations but in solutions that address the real causes of the conflict. Eritrea needs to seek its national identity by building a modern economy and society, devoid of a militaristic presence. Eritrea must also get out of its excessive self imposed compulsions on redrawing the past. On the other hand, Ethiopia must take initiatives of transforming the present situation by building confidence and bridging the trust gaps. But, the modality has to shift from a threatening exclusion to a relational reconciliation

Ethiopia and Eritrea must start seeing in terms of what they can do in the future. Reconciliation involves the creation of social space where both truth and forgiveness are joined together, rather than being forced together into an encounter in which one must win out over the other. The Ethiopian Eritrean conflict is not a problem without a solution. The path that takes to the solution is the building of relationship- the better the relationship is the less bumpy the ride to attain peace and cooperation. Nevertheless, the access point to this path can only be secured with
the political will and commitment of the parties for reconciliation. That, in turn, will help on bridging the trust-gap between them.

The relational dimension involves the emotional and psychological aspects of the conflict, as well, and the need to recognize past grievances and explore future interdependence. For broad based results, all elements of the reconciliation process should involve middle range and grassroots levels of both sides of the conflict. To lay down all the technical formatting work and the nature of the line items to be tabled in the reconciliation process will be beyond the scope of this analysis and better be left for reconciliation technical experts.

Now, can bridging the trust-gap between Ethiopia and Eritrea at government-to-government level really happen? Yes, if both governments were willing and committed to work towards that goal. No, as in this case, if both or one of them are unwilling or obstructing any effort in that direction. According to the Wiki Leaks quoting President Yoweri Museveni of Uganda, it has been years since President Isias Afewerki, has become entirely focused and obsessed on only unseating Prime Meles Zenawi. If that attitude has not changed in a nearly decade stretch of time, it probably is going to continue for the near future. Einstein is quoted to have once said, "Weakness of attitude becomes weakness of character", and we all know poor character is not just a policy error but a destiny. Nonetheless, rebuilding the trust is already happening in a multiple way at other levels. These efforts will inevitably lead to a shift of attitudes where and when there would be a real chance to go even beyond fixing the current problems.

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