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2006

Online at <https://mpra.ub.uni-muenchen.de/10573/>
MPRA Paper No. 10573, posted 19 Sep 2008 10:48 UTC

LESSONS OF INDIAN EXPERIENCE FOR ERITREA

Ravinder Rena*

Abstract

Both India and Eritrea are developing countries. India as a leader of Third world made a huge stride in human resource development and agriculture development where as Eritrea, a young nation still striving hard to develop these areas and thus achieve self reliance. In line with this, Eritrea has been using Indian human resources, as part of its capacity building in education, agricultural and other related areas. An attempt is made in this article to compare Eritrean situation and with some of the Indian experiences and also provide some implications for the policy development in Eritrea. The article ends with some concluding remarks.

Keywords: Eritrea, India, education and human development, Agriculture, economic growth

1. INTRODUCTION

India is a developing country and focuses on area of human resource development and capacity building. Eritrea's main aim is to achieve fast economic growth and self-reliance. India became self-sufficient in food in the late 70s. By the time India introduces reform in 1991, it had a huge pool of human resources. It is absolutely imperative to have the human resources in order to manage technology, agricultural machines, scientific applications etc. Even the use of foreign aid needs human resources. It is to be noted that within the developing world, India is a good model and many developing countries particularly from Africa can learn a lot to from its rich and varied experiences.

India was agriculturally backward on the eve of independence. The first five-year plan (1951-1956) of India was more focused on agriculture and power projects. The second five-year plan (1956-1961) laid great emphasis on industrialization (Ahluwalia, 1985). India wanted to be self-reliant, achieve rapid economic growth, and dispense social and economic justice to the people. The successive colonisers before its independence controlled the economy of Eritrea till 1991. Eritrea got Independence in 1991 and gradually adopted market economy but interrupted due to the border conflict (Rena, 2004).

The fact is that Eritrea has the large population below poverty line. It was estimated that the level of poverty in rural Eritrea has increased as compare to India where the rate is less than 25 per cent.

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Table- 1. Incidence of Poverty (Head Count) in Eritrea

Rural/Urban	% of Population	% of population BPL	% of Extreme Poverty (Out of total Population)
RURAL	68.80	64.64	38.90
URBAN	31.20	70.32	32.65
TOTAL	100.00	66.40	36.97

Source: Household Living Standards Measurement Survey (LSMS) and Dimension of Poverty, National Statistics and Evolution Office, 2003

Note: The poverty Line is Nacfa 240 per capita/month; Extreme Poverty Line: Nacfa 150 per capita/month.

The vast potentials of the agriculture sector in Eritrea require infrastructure development, agro-industry and the food security system including buffer stock. Building of buffer stocks helps to protect unnecessary consumption and to ensure that the food is well distributed at the time of emergency among the poor section of the society in the country. India has public distribution system, which involves procurement at minimum support price from farmers and distribution systems. The public distribution system provides food grains at minimum support price. In fact, the system of fair price shop in India involves trading one-third in food grains. The public distribution system also includes 'food for work' program. In this way, India is able to cover 80 million people. According to 2004-2005 data, India produces about 210 million tons of food grains and it has 50 million tons of buffer stocks.

India faces regularly natural calamities such as droughts and floods. There are many challenges; for example 70% of India's and nearly same in Eritrean land is dry land, which is important to focus on. But that doesn't mean that one neglect industries also. Eritrea has some potential resources like minerals, oil, salt, fish etc. that can be exploited. Eritrea is in the pipeline to explore its resources particularly mining. It is to note that by 2008 Eritrea would venture mining operations in full scale. Concentration on those areas of good competence is very important to overcome problems like poverty and drought (Rena, 2006a).

2. TRADE RELATIONS BETWEEN INDIA AND ERITREA

The trade relations between these countries are very old. Historically, there were strong trade ties during the Axumite kingdom. Agriculture is very important in both these countries. It is to be noted that more than 70% Eritreans and 60 per cent Indians depend on agriculture as their mainstay and hence there is a need to re-focus on agriculture. Both the countries have resources, good climate, and water resources. The concentration on agriculture along with industries requires a sustainable policy in Eritrea. Agriculture was focused through five-year plans in India. Even after 15 years of Independence, Eritrea did not adopt five year plan strategies, therefore it can learn Indian experience. Naturally, the state has to play an important role to protect Eritrean industries from foreign competitions as there were so many imported goods have become a threat to the domestic industries (Rena, 2006a).

It is to note that, after liberalisation policies in 1991, the private sector had emerged as an important force to drive the economy and become the backbone of Indian economy that accounts 70% of the GDP. Agriculture, horticulture, floriculture, sea food industries, agro industries, agro-based industries and food industries are in the private sector that includes small and large scale industries. India has almost 3.57 million units in the small-scale sector. They employ more than 20 million people and contribute USD 165 billion to the Indian economy. The role of private sector is substantial in the growth of sustainable economic development in India. Eritrea also experience the same situation with the small scale industries but could not contribute more to the national economy due to the competition from the large industries within the country and other competition from foreign trade.

The trade relation between India and Eritrea is growing gradually since Eritrea's independence. Thus, Eritrea appointed its first Ambassador to India in 2003. Although, the trade balance is in India's favour, there is a lot of emphasis on the promotion of trade relations recognizes the potential of both countries.

3. AGRICULTURE AND NEED OF SUSTAINABLE DEVELOPMENT

It is important to note that when a senior official from Andhra Pradesh (a southern province of India) visited East Africa in 2004, where some governments are ready to welcome Indian farmers to till vacant fertile lands. Kenya and Uganda have already expressed their consent to receive Indian farmers. Tanzania is also likely to give a positive response. African leaders understood that Indian skilled and innovative farmers can contribute to the prosperity of those countries, and the Africans can learn and benefit from the skills of Indians. In line with this, the Andhra Pradesh state government is enthusiastic about the project, which is expected to bring hope to the lives of more than half a million poverty-stricken farm families in the drought-prone west of the state. It is observed that the Indian farmers have been suffering from drought while some African countries have excellent infrastructure and land, but do not have people to farm it productively. This is a business opportunity for Indian farmers, who are well versed in tropical and arid-area farming. Analysts say the rash of suicides is rooted in the state's neglect of the agriculture sector. It is observed that lack of irrigation facilities and institutional loans to farmers, and there consequent dependence on private moneylenders, has led to the worsening situation in the Indian agriculture arena. Many opposition leaders and other activists say neglect of the farm sector is nationwide, and this is why suicides by farmers have been reported from most of India's 25 states and seven union territories over the past seven years. Most of the suicides were blamed on mounting debts and crop failure from drought (The Washington Post, 2004). India would also provide needed technical support to the cooperative farms involved in Africa migration project. It is reported that the Andhra Pradesh government agreed pay for the travel and cost of rehabilitation of the farmers in Africa. Farmers would be allowed to send their earnings to families in India without any hindrance. Eritrea therefore can think on these lines like Uganda and Tanzania to develop its land and agricultural productivity and thus achieve the food security.

Eritrean peasants normally collect their main harvest in September-October. However, a major long-standing challenge for the survival and livelihood of the Eritrean peasantry has surfaced not only in years of drought and famine but also in years of bumper harvest or relatively above average volume of production. Eritrea, currently, not only in times of poor harvest, but also in periods of bumper harvest, markets are seen penalizing poor peasants repeatedly. Although, the government of Eritrea exerted intervention to correct the widespread domestic agricultural market imperfections but the results seems to be ineffective. Therefore, the widespread poverty amongst the Eritrean peasantry increase and the consequent erosion of the asset base of farm households observed. The majority of (urban and rural) Eritrean due to lack of alternative livelihood options, periods of poor agricultural harvest or drought faces malnutrition and hunger. In Eritrea's economy, one major critical problem of the dysfunctional nature of agricultural markets is the lack of physical infrastructure facilities, storage facilities and major and feeder roads.¹ Another problem is the lack of marketing information infrastructure on local and global markets, including the training and management expertise and dissemination mechanisms among the various actors, i.e., peasants and buyers, in the market. Thus, major impetus need to be given like: 1] Building the major roads of the country and also feeder roads in producing regions, 2] Develop the human capital, 3] Develop marketing information tools from village to regional places, 4] Build up central markets to enable better and quicker local and international market information analysis and dissemination, and 5] Integrate local market with global market penetration for better results.

Efforts for Sustainable Development

The government of Eritrea should lay a clear agricultural marketing policy and the associated intervention mechanisms, including the designation of a public organization like Eritrean Grain Board that could play the economically and socially desirable task of absorbing, storing and properly utilizing the available surplus production. There is a need to safeguard the poor peasants from facing drastic falls in their producer prices. The government should study and reform its business licensing procedures, controls unhealthy regulations and provide basic requirements and contribute to better and highly efficient marketing channels in local and international marketing operations. The local and international partners of development should be committed to poverty reduction, food security and development of Eritrea. They should play a key role in supporting the development of a properly functioning national integrated agricultural production and marketing system. Their coordinated effort in this regard is quite invaluable as it significantly contributes towards meeting the challenging tasks of food self-sufficiency and food security in the country and relieves donors of their continued humanitarian responsibility of providing food aid to Eritrea. Apart from the current practice, Eritrean peasant requirements to be given the necessary support and advice to produce crops suitable to those geographical areas and generate demand for the produce in the local or export market.

Thus, the concerned government bodies, in cooperation with the local and international partners of development, should demonstrate high commitment and practical deeds by

working towards enhancing the crucial role of well functioning agricultural markets in Eritrea. It will act as an incentive to a sustainable increase in agricultural production and making its traditional roles in facilitating national economic development. It is, therefore, mandatory to point out and stress areas where the government and the other partners of development should focus upon in building a dynamic agricultural marketing system. In line with this many agro-based projects implemented at zoba and sub-zoba levels like construction of micro-dams, medium dams and some major dams etc.

India Offer to Africa in Agriculture Sector

With a view to significantly enhance India's trade with Africa, the Government of India launched an integrated programme "Focus Africa" in the year 2002-03. The main objective of the programme is to increase interactions between the two regions by identifying the areas of bilateral trade and investment. The "Focus Africa" programme emphasized on major trading partners of the region, namely Eritrea Ethiopia, Nigeria, South Africa, Mauritius, Kenya, Tanzania and Ghana, which together account for around 69% of India's total bilateral trade with the sub-Saharan Africa region(CII India-Africa Project Partnership, 2005: 22-26).

Confederation of Indian Industries' (CII) Africa Committee has the mandate to further business co-operation that helps establish a symbiotic relationship between India and emerging African economies. The Committee through wide ranging activities, like: 1] Develop strategies to enhance economic, industrial and trade relations, 2] Identifies areas of mutual co-operation, 3] Highlights issues of concern and evolves suitable policy recommendations, 4] Frames guidelines and checklists for different forms of industrial co-operation, and 5] Represents industry sectors seeking greater mutual co-operation (CII India-Africa Project Partnership, 2005: 11).

CII has Institutional Agreements with 32 counterpart organizations in 18 African countries including Eritrea with the objective of facilitating exchange of information and promoting business interests of Indian and African Industry. The Committee pursues a three point agenda like: 1] Focus on core issues to industry, 2] Interaction with African Missions in India and Indian Missions in Africa, and 3] Partner and assist the Govt. of India in its specific Africa related initiatives (CII India-Africa Project Partnership, 2005: 24-25).

A bi-monthly electronic newsletter widely circulated to Indian industry, CII's MoU partners in Africa, Indian Missions in Africa, African Missions in India, key policy makers in India and Africa to update information on economic, industrial and political scenario in Africa, sectoral information for Industrial and trade Cooperation, Business opportunities for both African and Indian companies and Indo-African trade and Investment data. CII has developed an integrated strategy for promoting Indian exports into Africa, to supplement "Focus Africa" programme of the Ministry of Commerce and Industry, Government of India that involves: 1] Identifying focus markets in Africa, 2] Identifying products with potential for export to focus markets, 3] Seminars/ workshops o

Export Opportunities, 4] Trade delegations to focus countries 5] Participation in sector specific fairs in focus countries, 6] Made in India/ Enterprise Shows (CII India-Africa Project Partnership, 2005: 26).

Export-Import Bank of India (EXIM India) operates a number of financing and support programmes to facilitate and promote India's trade and Investment in the African region. The EXIM Bank operates a programme to support overseas investment by Indian promoter through joint ventures/ wholly owned subsidiaries. Such support includes finance in selected cases, directs participation in equity along with Indian promoter, to set up such ventures overseas (CII India-Africa Project Partnership, 2005: 24-26). With a view to enhancing competitiveness of Indian exporters, as also identifying Indian trade and investment potential, EXIM India periodically conducts research studies on countries/regions/sectors/ industry and on macro-economic issues relating to international trade and finance. EXIM India has also come out with a bilingual (English and French) magazine titled "Indo-African Business" which focuses on bilateral trade and investment between India and Africa. The magazine addresses the business information needs of companies who are interested in trade with the African region. With a view to promoting and facilitating bilateral trade with countries in the Africa region, EXIM India works closely with Government of India. It has a representative office in Johannesburg, South Africa, which plays a role in facilitating economic cooperation with the African region, and is closely associated with several other Banks' initiatives.

Role of India in Eritrean Development

It is to note that the Ministry of Education, Eritrea is hiring a great number of professors, associate professors, assistant professors, lecturers and teachers from India to teach at the colleges, institutions at tertiary level and schools. It is observed that more than 800 teachers are teaching at various colleges, vocational training centers and high schools in Eritrea. Surprisingly, about 80% of the faculty in the newly established Eritrea Institute of Technology is Indians. And there are agricultural scientists, and other technical experts in different domains have been working in Eritrea for many years. Further, there are some Eritrean students studying in India for their B.A., MA/MSc., Ph.D degrees. One feels that this helps a lot in human resource development of Eritrea. And, of course, many Indian teachers have been involved in Eritrea since the 1960s even before its independence. It is to be noted that Indian teachers have educated many leaders of Eritrea including the president Isaias Afwerki and some ministers. The education sector of Eritrea has an excellent relation with India. India has been focusing on human resource development since independence. That is one of the main strengths of India, which, one hope would be rubbed off to Eritrea through this collaboration. In 2006, Minister of Eritrean Education Mr. Osman Saleh has visited India and makes agreements with the Indian government in human capacity building.

It is observed that the Indian community promotes goodwill and understanding among people in Eritrea. They are the bridge that makes the two countries come close together. The contribution for the Indian community is very important. The Indian community

living here contributes a lot to the economy of the country. Large number of Eritrean is going to India for education, business, tourism etc. This contact between the two peoples is a great contribution for the enhancement of the relation between the two countries. India has managed to develop a modern agricultural sector within a short period of time after the advent of Green Revolution in mid 1960s. Ravinder Rena (2004) discussed how Eritrea could learn lessons from Indian agricultural experiences.

4. IMPLICATIONS

The critical need for moving agriculture forward in Eritrea is underlined by the need to increase food supply to feed a rapidly growing population, to provide employment, income growth to reduce absolute poverty and food insecurity for a predominantly rural-based population. Since Eritrea has a large pool of unskilled labor, agricultural development can relieve the growing unemployment problem on the one hand and increase in agricultural income on the other hand. A 'poverty focused' economic development policy has best chance of success if it is agricultural-led, or if it is based on increasing agricultural productivity that result in food security and the reduction in absolute poverty.

Since food security contains both supply (production) and demand (income) dimensions, there is a need to focus on food production. In this regard, a key policy research identifies the combination of technologies and institutions, which aspires availability and access to food by local communities and regions in Eritrea. The prime movers of agricultural development (public and private investment) need to involve in agricultural production and supply to ensure food availability. It includes Indo- Eritrea investments on: 1] New technology and agricultural research, 2] Human capital and managerial skills produced by investments in schools, training, and on-the-job experience, 3] Physical capital investments in rural infrastructure such as irrigation, dams and roads, and 4] Farmer support institutions such as marketing, credit, and extension services.

Eritrea can stage a trade exhibition in India and thus allow India to do the same in Eritrea to strengthen the trade and agricultural ties. These trade fairs would work as plot forms for both the countries' business communities to participate and exchange their profiles. They also get the opportunities to interact with members of the Indian business community and vice versa. It is to note that India has been participating regularly in some of the African country's trade fares like Kenya, Ethiopia, Uganda etc., and focuses on mostly iron and steel products, machineries, drugs, pharmaceuticals, plastics, leather, cotton, and pulses. Indian industries are keen to invest more in the field of electronics, food processing, business, agro industries and agro-based industries, etc.

Eritrea adopted an agriculture and rural-centered development strategy recently to achieve food security. This policy mainly focuses on the development of smallholder farm productivity and the expansion of commercial farms. Although some degree of cooperative farming is been noticed in Eritrea, it can be suggested that the structure of cooperative farming like West and South India and Kenya may be implemented in Eritrea

at a large scale. If successfully implemented, it has the potential to reduce food insecurity, absolute poverty and environmental degradation. Conceptually, an agricultural and employment based economic growth strategy has three basic elements like: 1] Agricultural growth requires an appropriate land-saving technology in the form of biological and chemical technologies, 2] The growth in food demand occurs through accelerated growth in rural employment (or increased demand for labor), made possible through scientific agriculture and 3] Increase demand for goods and services produce.

Like Indian agriculture, it is important to transform subsistence agriculture to science-based intensive agriculture by adopting promising indigenous practices combined with selective use of improved technologies such as inorganic fertilizer, better equipment, improved seeds, and improved soil conservation and agro forestry practices. Improved technologies and use of farm capital is the most promising path to achieve the goals of greater productivity, food security, and sustainability in most agro-climate zones. The capacity of farmers in Eritrea to pursue alternative technologies requires investments in rural infrastructure, input and output market improvements, land markets, credit policy and promotion of non-farm enterprises such as agro-industry. The challenge is to develop innovative, cost-effective public, private and public institutions including Non Governmental Organisations (NGO's) that support agriculture under a favorable and macroeconomic and institutional environment.

5. CONCLUSION

In conclusion, the challenge for eradicating absolute poverty in Eritrea is best achieved by pursuing an economic growth strategy that transforms the currently low productivity agricultural sector. This challenge can be met by developing relevant institutions that promote the four prime movers of agricultural development identified earlier like:

1. Production of appropriate technologies- produces through public and private investments in agricultural research;
2. Human capital investments and vocational skills of poor people by investment in private and public schools, training programs, on-the-job experience and health;
3. Investment in infrastructure like dams, irrigation facilities, telecommunications and roads; and

Investments in farmer support institutions such as marketing, credit, fertilizer, and seed distribution systems. Each of the above movers is important and complementary.

The analysis of this paper underscores the need to develop capacity building strategies in agriculture and education, specific technologies to raise crop productivity, investment in infrastructure and in agricultural support institutions, marketing and credit in order to overcome problems of productivity and remove weak linkages within the rural economy. The paper also implies that success in transforming agriculture along these lines can reduce natural resource degradation, and thereby enable Eritrea to break out of the absolute poverty-environmental degradation-food insecurity trap and strengthen the human resource development and agricultural policy in Eritrea.

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NOTES

1. Despite the rapid road constructions under the *Warsay Yikealo* Development Campaign that launched in May 2002 many agricultural farmers however face basic infrastructure problems.

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