

CHAPTER IV

ERITREAN GOVERNMENT POLICY FACING THE MASSIVE YOUTH MIGRATION ISSUES

When a massive number of people fled out of the country it is bound to have impacts not only for the destination country but also for the origin country. In this chapter the author is going to analyze the Eritrean Government policy facing the massive youth migration issues.

A. Eritrean Government Changes Its Foreign Policy

Eritrea has been known as secretive country that really proud of its self-reliance principle. The government was really reluctant to share any information regarding the condition at home made its relation with the international community complicated.

1. International Sanctions on Eritrea

Since 2009 Eritrea has been suffered from international sanctions. In essence the sanction was not imposed in regards of the massive migration but on Eritrea over its role in Somalia, border dispute, its allegation in supporting terrorist group Al-Shabaab, and the lack of cooperation on the part of the country's authorities towards the international community.

a. UN Resolution 1907 (2009)

In December 2009 the UNSC established in Security Council Resolution 1907 sanctions against Eritrea including an open-ended embargo on the supply of arms and military equipment to and from Eritrea.

The sanctions were imposed in reaction to the findings by the UN Monitoring Group on Somalia that Eritrea had provided political, financial and logistical support to armed groups in Somalia and to the Eritrean refusal to withdraw its forces from disputed territory on the border with Djibouti and engage in diplomatic dialogue about this issue. (Chhor & Roth, 2009)

Based on the resolution (2009), the sanctions includes:

- Embargo on arms and related material
- Ban on exports of equipment for internal repression
- Ban on provision of certain services
- Restrictions on admission
- Freezing of funds and economic resources of certain persons who constitute a threat to the peace and national reconciliation
- Travel ban

In November 2016 UNSC in Resolution 2317 decided to extend the sanctions for one more year and made these calls on

Eritrea:

- *Reiterates* its expectation that the Government of Eritrea will facilitate the entry of the Somalia and Eritrea Monitoring Group (SEMG) to Eritrea
- *Underlines* that deepened cooperation will help the Security Council be better informed about Eritrea's compliance with the relevant Security Council resolutions;
- *Urges* the Government of Eritrea to facilitate a visit of the SEMG to Eritrea;
- *Calls on* Eritrea to cooperate fully with the SEMG
- *Stresses* its demand that the Government of Eritrea allow access and make available any detailed information, including to the SEMG, pertaining to the Djiboutian combatants missing in action.
(United Nations, 2016)

b. EU Council Decision 2010/127/CFSP and Council Regulation No. 667/2010

In order to implement the UN arms embargo on Eritrea of 23 December 2009, the EU member states adopted Council Decision 2010/127/CFSP on 1 March 2010. This decision later on 26 July 2010 was adopted into Council Regulation No. 667/2010.

The regulation includes:

- Prevention the sale or supply of arms and related material of all types, including weapons and ammunition, military vehicles and equipment, paramilitary equipment and spare parts for the aforementioned to Eritrea
- The prohibition supply to Eritrea of technical assistance, training, financial and other assistance related to military activities or the provision, manufacture, maintenance or use of the items related to arms
- Freezing of funds and economic resources of certain persons specified in the Council Decision 2010/127/CFSP and Council Regulation No. 667/2010
- Travel ban (European Union, 2010)

c. EU Council Decision 2012/632/CFSP and Council Regulation No. 942/2012

On 15 October 2012, the EU adopted further restrictive measures against Eritrea via Council Decision 2012/632/CFSP. The Decision came into force on the date of publication in the EU Official Journal on 16 October 2012. At the same time, the EU also adopted implementing which also came into force on 16 October 2012. This measure is Council Implementing Regulation (EU) No 942/2012 of 15

October 2012. These measures introduced an exemption to sanctions measures, whereby sanctions shall not apply to the:

- Provision of technical assistance, financing and financial assistance related to non-lethal military equipment intended solely for humanitarian purposes or protective use, as approved in advance by the sanctions committee.
- Provision of technical assistance, financing and financial assistance related to protective clothing including flak jackets and military helmets, temporarily exported to Eritrea by United Nations personnel, representatives of the media and humanitarian and development workers and associated personnel for their personal use only (European Union, 2012).

d. UNHRC Resolution on Eritrea A/HRC/32/L.5/Rev.1

The UNHRC in June 2016 adopted a ground-breaking resolution in response to the presentation of the report by the Commission of Inquiry (COI) on Human Rights in Eritrea in which the Eritrean government has rejected the findings (van Reisen, 2016)

In this resolution the Council strongly encourages the African Union to follow up on the report and recommendations of the commission “by establishing an investigation, supported by the international community, with a view to examining and bringing to justice those responsible for violations and abuses of human rights

identified by the commission of inquiry, including any that may amount to a crime against humanity” (UNHRC, 2016).

The resolution (2016) also reiterates the Council’s numerous calls upon the Government of Eritrea, “without delay”:

- To end use of arbitrary detention To end its use of arbitrary detention of persons in Eritrea, and to end the use of torture or other cruel, inhumane and degrading treatment or punishment
- To account for and release all political prisoners, including the G-15 reform group and journalists
- To ensure free, fair and equal trial
- To end indefinite national service To put an end to the system of indefinite national service by demobilizing national service conscripts who have completed their mandatory 18 months of service
- To end forced participation in militia
- To investigate all allegations of extrajudicial killings, torture, cruel, inhumane and degrading treatment, punishment, rape and sexual abuse within the national service and bring the perpetrators to justice
- To end shoot-to-kill policy at the borders
- To collaborate with human rights and humanitarian organizations and to allow them to operate in Eritrea without fear or intimidation in order to facilitate the full implementation of the

Strategic Partnership Cooperation Framework for 2013-2016
signed by the Government of Eritrea and the United Nations on
28 January 2013

- To end “guilt-by-association” policies that target family members of those who evade national service, seek to flee Eritrea or commit any other alleged crimes.

The sanctions lead to Eritrea isolation in the international community, which in a sense was also the result of the authoritarian regime of Isaias Afwerki, which made the relations between Eritrea and other countries to be bad and alleged human rights abuses in the national service by the Eritrean government

In 1993, shortly after the independence Eritrea joined African Union (AU) and Intergovernmental Agency on Development (IGAD). The relations with these two regional organizations were, however, impacted by Eritrea’s foreign relations with Ethiopia. In 2007, Eritrea withdrew from the AU and IGAD in protest against the organization’s support to the Ethiopian intervention in Somalia and later in 2011 applied to reinstate it, but has so far not been allowed to do so by IGAD.

These conditions force Eritrea Governmet into changing their foreign policy from secretive into opening to the international community.

2. Eritrea Starts ‘Opening Up’

In 2015, Eritrea that has been famous of being secretive country allowed a team of BBC reporters, that had not been allowed to film in the country for around a decade, to visit the country to report on health and care system. On that visit an Eritrea government official was there to meet the BBC reporters and guide them in accordance to the schedules. According to Yalda Hakim, one of the BBC reporter who got the chance to speak with Yemane Ghebreab, the government showed an intention to end indefinite service, but he seemed less sure about giving his people democracy (BBC, 2015).

In 2016, Bronwyn Bruton, the deputy director of the Africa Center at the Atlantic Council, in Washington, was also allowed to visit Eritrea. Bruton visited Eritrea for research several times over the past year, talking to senior government officials, including Eritrean President; foreign diplomats; local and foreign business people; and ordinary Eritreans.

In her article after the visit was published in The New York Times (2016), she said that satellite dishes carrying the BBC, CNN and Al Jazeera could be seen throughout the country and though connections were very slow, the internet was accessible and appeared to be unfiltered. Radio programs from abroad that are critical of the government were widely listened to. This shows an improvement in Eritrea which in the

past did not allow independent media to exist criticizing the regime. She stated that Eritrea is actually not as bad as it is reported by many international organizations and that Eritrea is not the North Korea of Africa.

In 2016 also, four politicians from Switzerland was allowed a short visit to Asmara. The politicians were parliamentarians Thomas Aeschi (conservative right Swiss People's Party), Yvonne Feri (centre-left Social Democrat), Claude Béglé (centre-right Christian Democrat), and Christian Wasserfallen (centre-right Radical). They were invited by the Swiss honorary counsel Toni Locher, and met Swiss and Eritrean officials. They had praised the openness of the people they met in Eritrea and the fact that they didn't have problems travelling around and had been able to visit the capital Asmara and other cities without surveillance of the military. They even advocated that Switzerland should deepen its relation with Eritrea so that the two countries could work together in tackling the migration issue (Aeschi, 2016).

These allowed visits was viewed as Eritrea effort to engage more to the international community, as the country has been suffered from sanctions, the government started to open its country as the first step to makes the international community lift the sanctions. The government movement is slow but at least its bring hope to the future Eritrea.

The positive response on tackling the massive youth migration issue was first started in December 2014 when Eritrea's minister of foreign affairs, Osman Saleh, in an EU–Horn of Africa conference stated that Eritrea was “determined to work with the EU and all European countries to tackle irregular migration and human trafficking and to address their root causes”. (Plaut & van Reisen, 2015)

There were basically four main points on his speech on the conference which includes:

- Addressed how important that kind of conference to be held to highlight the critical nature of the issue and to create a broader understanding and a sense of urgency.
- Stated that Eritrea are determined, and are already taking appropriate action, to develop the political, economic, social and cultural environment that would provide opportunities for the young generations.
- Stated that Eritrea embarked on and is determined to work in, close and mutually beneficial, partnership with regional countries to address the problems of irregular migration and the crime of human trafficking.
- Stated that Eritrea values its partnership with the EU and is determined to work with the EU and all European countries to tackle

irregular migration and human trafficking and to address their root causes (Tesfanews, 2014).

In the speech Osman Saleh also called for the urgent review of European migration policies towards Eritreans, as he said that the policies were based on *incorrect* information. After this conference, Eritrean government slowly shows its intention to involve more in the international community.

B. Eritrea Government Reforms the National Service Policy

Since acquiring independence in 1993, Eritrea had faced heavy fiscal deficits impacting its economic performance. Reliable data on Eritrea's economy are practically scarce, due to the government's refusal to release even the most basic statistics such as population and GDP figures. Nonetheless, there are a number of international estimates available, most notably those from the African Development Bank (AfDB).

The average deficit of Eritrea was reported at eighteen per cent of GDP in the 2000-2010. After a rapid economic development, averaging an annual GDP of 7 per cent in the years following independence, the Eritrean economy suffered a significant slowdown as consequence of the border war with Ethiopia. AfBD reported real GDP growth to pick up from 3.5 per cent in 2013 to an annual average of 8.2 per cent in 2014-2015. (African Development Bank, 2016)

1. The Two Percent Tax

Eritrea government at first does not fuss over the massive migration because in a sense it benefits them from the taxation. The government expects all Eritreans in the diaspora to pay a two percent tax on income. As well as being a unique method of social control, the two percent tax, which often called the expatriate fund-raising operations actually can be said as the crucial sources of revenue for the Eritrean government.

In UK for example, according to Human Rights Watch report (2009) in two months in 2003 the Eritrean Embassy in London reported US\$3.2 million profit resulting from ‘second round distribution of land’ collected and remitted to Asmara. Failing on paying the tax would result on the government typically punishes family members in Eritrea by arbitrarily detaining them, extorting fines, and denying them the right to do business by revoking licenses or confiscating land.

According to annual report of the government income of Eritrean Embassy in London (2003), the annual income of the Embassy in 2003 was \$6.2 million. From that amount only \$74,282 was derived from visa fees while the rest was described as ‘Contribution to draught affected’ ‘Contribution to Relief Rehabilitation,’ ‘Contribution to National Defense,’ ‘Contribution for Martyrs Children and Disabled,’ ‘Contribution for Rehabilitation of ex-fighters,’ and ‘Contribution to Recovery Tax’.

The Eritrean economy appears to be heavily dependent on remittances. Remittances have been estimated to constitute around one third of national gross domestic product as well as a significant proportion of private household income. Although there is no evidence on how the government uses money from abroad, research suggests individuals often use remittances to subsidize livelihoods, subsistence costs and considerable financial outlays, such as the costs of education.

Fessehazion (2005) argues that ‘In no other African country are remittances as important to the national economy as in Eritrea, where remittances comprise 30 percent of the GDP’. The government uses remittances to loosen the clack of foreign currency caused by the insufficiency of exports. In 2005 UN also reported that a significant proportion of domestic household and business saving originates from remittances from the diaspora.

In 2011 according to Resolution 2023, UNSC called on Eritrea to “cease using extortion, threats of violence, fraud, and other illicit means” to collect the diaspora tax, which granted \$73 million for the state from 2010 to 2013. AfDB reported that remittances from the Eritrean diaspora have declined as a consequence of the 2011 UNSC’ resolutions, which have prohibited UN member countries from facilitating transfer of the two per cent diaspora paid by Eritreans living abroad.

2. The Decreasing of Valuable Workers

For long, Eritrea has treasured raising its young generations as the primary asset of the country, nurturing them so that the young can become useful resources and the driving force towards a bright future. Post-independence Eritrean migrants are predominantly male and young and relatively well educated. As a certain number of Eritrea valuable workers that are its young generations flee from the country, the government worried that the condition will affect the country development.

Table 4.1. Number of Eritrea Young Emigrants

Year	Number of young emigrants (14-34 years old) rounded
2013	12,800
2014	31,200
2015	30,089
2016	29,534

Source: Eurostat (2013-2016)

The quantitative data on the impact of massive youth migration or the loss of domestic labor on the Eritrean economy is almost non-existent. The US Department of State (2014) suggests the widespread migration of high-skilled workers from the country is ‘a fact that even government officials now acknowledge as a critical economic challenge for the nation’. Based on the interview done by the NGOs, there are

evidences suggests many university-level students have left the country illegally, after their initial visa requests have been refused, in order to take up positions in foreign universities.

Losing high-skilled workers means Eritrea need to put up with the available worker that mainly comes from conscripts. For example, infrastructure such as roads has probably, been built by a state-owned firm that uses conscripts as its workers. Basic supplies—including possibly food and gasoline—may have been produced or imported with some involvement of national service workers. Employees may have learned in school from teachers who were on national service. The problem is the conscript who did their job as conscripts often possess a bare minimum of knowledge of their job as they were often forced to do it.

3. Human Rights Issues in the National Service

In response to the massive migration from Eritrea, many Governmental, non-governmental, and inter-governmental bodies alike have roundly criticized Eritrea's human rights record. In October 2012, the UN appointed a Special Rapporteur for Human Rights in Eritrea and formed a Commission of Inquiry into Human Rights in Eritrea two years later. The Commission of Inquiry published a detailed report in June 2015, noting that Eritrea may be guilty of crimes against humanity.

In the report it was stated that the commission was faced by the

lack of cooperation from the Eritrea government. (Human Rights Council, 2015)

- **On 24 October 2014**, the Chair of the Commission sent a letter to the President of Eritrea, His Excellency Isaias Afwerki, to express the wish of the Commission to visit Eritrea. The Commission did not receive any answer.
- **On 25 November 2014**, the Chair of the Commission transmitted a second letter to the Permanent Mission of Eritrea to the United Nations Office and other international organizations in Geneva, in which he reiterated the request of the Commission to visit the country. This correspondence was sent after the three Commissioners met the First Secretary and *Chargé d' affaires ad interim* of the Permanent Mission of Eritrea on 19 November 2014, in Geneva. The Commission did not receive a reply.
- **On 19 December 2014**, the Chair of the Commission sent a letter to the Minister of Foreign Affairs of Eritrea, His Excellency Osman Mohammed Saleh, through the Permanent Mission of Eritrea to the United Nations Office and other international organizations in Geneva, requesting for information about statements made by Eritrean officials in late 2014 about the decision of the Government of Eritrea to limit the duration of the national service of future conscripts to 18 months, as stipulated by Eritrean legislation.
- **On 19 May 2015**, the Chair of the Commission sent another letter to

the Minister of Foreign Affairs of Eritrea to request a copy of the new Civil, Penal, Civil Procedure and Penal Procedure Codes that were promulgated on 11 May 2015. The Commission received no answer or information.

- **On 5 June 2015**, the report was shared with the Government of Eritrea.

The Commission finds that the Eritrean Government has committed systematic, widespread and gross human rights violations and that there is no accountability for them. The rights and freedoms of the citizen are severely curtailed in an overall context of a total lack of rule of law. The Commission also finds that the violations in the areas of extrajudicial executions, torture (including sexual torture), national service and forced labor may constitute crimes against humanity.

The report published by Human Rights Watch in 2009 also stated some finding about the human rights violation conducted by the Eritrean government in case of national service. The report mentioned about the country forced labor, arbitrary arrest, forced detention, and ‘disappearances’. Eritrea routinely arbitrarily detains people who criticize the president, the government, the military, those who try and evade national service or desert from the army, and those who practice or are perceived to be members of unregistered Christian religions. Once arrested, many detainees “disappear”—their families are unable to

ascertain their whereabouts and are only occasionally informed if the individuals die in custody.

In 2015, Amnesty International published its finding about Eritrean national service titled *Just Deserters: Why Indefinite National Service in Eritrea Has Created A Generation of Refugees*. Similar to the report from Human Rights Watch, Amnesty International also concerned about the issues of forced labor, detention, arbitrary arrest and desertion.

“Conscription into National Service in Eritrea continues to be extended indefinitely and conscripts continue to be deployed in a range of civilian as well as military roles in a system that amounts to forced labor... Conscripts continue to be at risk of further human rights violations within National Service, including arbitrary detention without charge for attempted evasion, desertion or over-staying leave.” (Amnesty International, 2015)

The government refused to acknowledge the already published reports and findings of people were fleeing Eritrea to escape killings, sexual slavery, forced labor and indefinite national service and stated that the main reason for so many of their citizen flying the country were because of economic difficulties. It considered the flight of migrants to be part of an international policy to lure young people from Eritrea. It rejects the findings of the Special Rapporteur and Commission of Inquiry, arguing that the UN has a longstanding bias against Eritrea. (Riggan, 2016)

Presidential adviser Yemane Ghebreab, in an interview with VOA after the Lampedusa boat tragedy in 2013, blames external forces for luring young people to leave home.

“There is a whole network of human traffickers, of criminals, who have the support of officials in a number of countries and agencies of organizations which are part of this... For Eritrea, the defining reason for this is that Eritreans are given preferential treatment and are treated not as economic migrants, but as political asylum seekers. This is a deliberate policy that has been well documented.” (Ghebreab Y. , 2013)

Despite the massive youth migration, Eritrea is still not prepared to stop forcing its youth into the national service. In a presentation at the Bruno Kreisky Forum for International Dialogue on the topic of Eritrea’s political situation and its policy in the Horn of Africa, Yemane Ghebreab explained that the national service is a very important policy for Eritrea and that they did not plan to banish it.

“The National Service is a very important national policy and project. As I said, Eritrea is a small nation. It lives in a very difficult neighborhood. We have to defend ourselves... And so the policy we have undertaken is to say that we’re going to have a small standing army and this will be supported by National Service recruits as well as self-defense units. These self defense units are people who do their ordinary jobs but can be called as reservists if their is any emergency. This is our policy.” (Ghebreab Y. , 2015)

Even though the government refused to banish the national service, in response to the international pressure and to decrease the number of youth

fleeing the country the government has been reforming and bringing change to the National Service program.

In 2014, the Eritrean government gave assurances that the national service would revert to the originally 18 months. In November 2014, the Asmarino Independent website posted an article to state that a pro-government website had reported that the Head of Public Affairs at the Eritrean Embassy in Washington DC had made an announcement confirming the decision (Asmarino, 2014).

The implementation of that policy has started since 2015, according to Hagos Ghebrehiwet, the PFDJ director of economic affairs. Those who were drafted in 2001 or earlier are being allowed to leave active service, but they are still required to work for the government (Anderson, Trapped and Bereft in the World's "Fastest Emptying Country", 2016).

Besides putting back the national service to its mandate, the government also started to raise the pay scales for the conscripts. Eritrea Finance Minister, Berhane Hebtemariam, in an interview with Reuters (2016) outlined that graduates would receive 4,000 nakfa a month instead of 1,400 nakfa and new recruits would receive a monthly salary of 2000 Nakfa. Civil service pay across the board was under review in hope that it would help discourage migration.

The implementation does not run smoothly as in fact there are still many conscripts who have not been demobilized and remain victim to the

regime. Rather, many critics said that the government only made false promise to gain EU financial aid amount to €200 million. The EU-Eritrea National Indicative Program was signed in January 2016 and will see €175 million earmarked for the Eritrean energy sector and €200 million to improve governance.

Even though there were also concerns that Eritrea's lack of financial transparency would strengthen a dictatorial regime instead of helping those in need, the government claimed that they are doing their best to utilize the fund under the circumstance.

C. Eritrean Government Investing on Mining Sector to Create Jobs

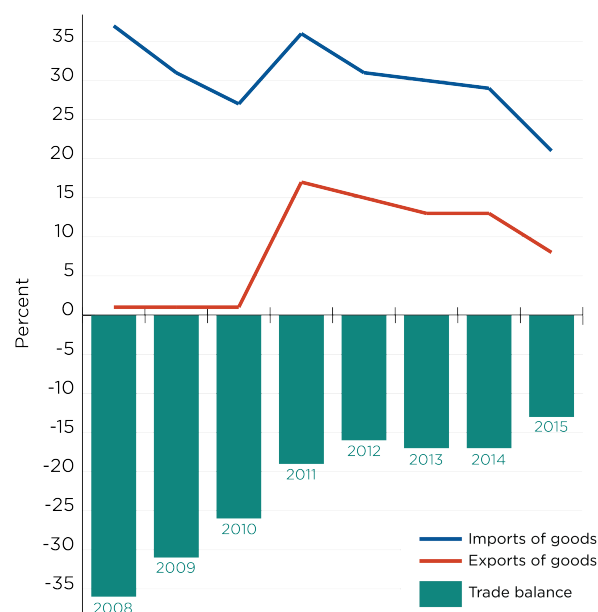
Eritrea's international trade since long ago has been characterized by large deficits. The constraints to trade are mainly caused by infrastructural deficiencies, institutional capacity weaknesses, governance challenges and unresolved regional instability and conflict. These constraints have resulted, *inter alia*, in Eritrea having little inter-regional trade with other countries, like in the Common Market for Eastern and Southern Africa (COMESA), which only amount 20 per cent of Eritrea's total international trade according to the United Nations Conference on Trade and Development (UNCTAD).

Given the little foreign investment it receives, the government particularly depends on remittances and debt to purchase imports. Eritrea's foreign reserves covered less than one month of imports almost continuously

from the 1998 border war until 2007. Although reserves have since climbed from \$58 million in 2008 to over \$200 million in 2014, due to the opening of the Bisha mine, reserves have rarely climbed above the amount required for three months of imports the internationally recommended minimum (EIU, 2016).

Sanctions and isolation have also discouraged the inflow of foreign direct investment and development assistance, as well as led to a drastic decrease in remittances.

Graph 4.1 Eritrea Exports, Imports, and Trade Balance



Source: <http://www.publications.atlanticcouncil.org/eritrea-economy/> (2016)

The success of the Bisha mine, a joint venture between the Eritrean government and Canada's Nevsun Resources Ltd., has significantly improved Eritrea's financial situation at the time, but not to the degree that it can end the country's financial problems all by itself.

Following the start of the mine's production in 2011, according to AfDB, Eritrea exports rose dramatically to \$261 million, up from only \$23 million in 2010. By 2014, exports had climbed to about \$500 million. Before this spike, Eritrea had one of the lowest ratios of exports to GDP in the world, this fact shows the measure of Eritrea integration with the international economy. The static was astonishing given the small size of the country (smaller economies typically have larger ratios) (African Development Bank, 2016).

As agreed, the EU Trust Fund cycle of 2016-2020 amounts to €200 million, which is financed by the European Development Fund with the objective of promoting activities for the direct benefit of the population with tangible results, such as the creation of job opportunities and the improvement of living conditions in the country, will focus on energy and governance (European Commission, 2015).

Besides depending on remittances Eritrea also relied on its mining industry as the main source of income. Using part of the EU Trust-Fund, the government hopes to invest more to the mining industry to boost the economy.

Picture 4.1. Bisha Mine 2014 Operational Highlights



Source: Nevsun Resources (2014)

Based on current reserves, Bisha production can continue for 8 more years, but further exploration could extend its life. According to Nevsun (2016) the Bisha mine has contributed \$800 million to Eritrea's coffers in its first five years of operation through taxes, royalties and return on investment.

By the end of 2018 Eritrea is expected to have four mines in operation producing gold, copper, zinc and potash. The four mine sparked Eritrea hope to build an industry that can kick-start its economy. With its four mines operating in the future, Eritrea long scratched for gold nuggets on deposits that stretch along the Red Sea, a geological formation known as the Arabian Nubian Shield surely will no longer be a dream.

While Eritrea is struggling under the burden of mass migration, UN sanctions and diplomatic isolation, more mine surely will allow dramatic lift for the economy. In the industry, ENAMCO gets an automatic 10% stake in every mining project, as well as the option to buy an additional 30% share, just like Western Australian mining code, on which Eritrea based its mining laws. Eritrean state-owned companies, mainly Segen Construction Company,

have also earned money building roads and staff housing from the mines, that is why the government prioritize on investing in the mining sector (Anderson, 2016).

Event though the value of zinc, copper and gold has fell due to the global downturn in metal prices, at least with three more mines scheduled to begin production by 2018, the government can still expects revenue to be around \$1bn per year as the Bisha mine alone in 2016 has contributed \$231 million (Nevsun Resources, 2016).

Alem Kibreab, the Director General of Eritrea's Energy and Mines Ministry, have a really big expectation in the mining industry as he told The Africa Report (2016):

"The contribution that mining will make to the Eritrean economy will be tremendous. If you have four mines running and if there's a good price of metal at that time, then the contribution will be really significant. After all, mining is deplorable not a renewable resource, so it works as a kick off for other sectors, economic sectors "

He also adds that while Nevsun Resources and China SFECO are exploring near their active mines, 14 foreign firms from China, Russia, Australia, Canada, India and Sudan are also exploring for mineral assets in Eritrea.

For the mining industry to have a maximum impact on the Eritrean economy, a tremendous number of skilled labor forces have to be trained. Increasing from 2014, the Nevsun report in 2016 stated that the Bisha Mining

employed around 1,500 Eritrean people that produces 688tn of copper concentrate and 166tn of copper every day. In this sense, when the other three mines are fully operated the government hopes that it will surely absorb worker from the local people, creating more job opportunities for the young generation to make them stay in the country to build the nation.

D. Eritrea Government Issuing New Nakfa Currency Notes

In 2015 the Bank of Eritrea announced that all Nakfa notes in circulation must be exchanged for new government-issued notes in a legal notice No.124/2015. The decision by the country's central financial institution is expected to have a major impact on the economy.

The system for the new Nakfa currency notes was designed to restrain the money in the black market and hit human traffickers abroad, such as those in Sudan and Ethiopia who took cash from migrants in Nakfa and kept the old notes. The official reasons for the new currency policy includes introducing new banking instruments such as checking for transactions above 20,000 Nakfa, redeeming old currency and controlling illicit business.

"It might not stop (human trafficking) altogether, but I am sure it is going to have an impact," the Eritrean finance minister said. The government really wanted to minimize the human traffickers that helped its citizen to fled the country illegally.

Despite the economy is strictly controlled by the government, Eritrea's black market is thriving. The Nakfa currency has been in rapid

inflation in recent years, causing a huge disparity between the official and unofficial exchange rates. One US dollar in official exchange is worth 15 Nakfa, but worth 50 to 58 Nakfa in the black market.

The Eritrean government initiative for the currency replacement program is not meant to change the value of the money because the exchange will be on a one-to-one basis, but still the policy is expected to be wide-ranging.

The currency replacement program occurred in a six-week period, from 18 November 2015 until 30 December 2015. This new policy restricts the citizen to do bank withdrawals during the six-week period to 20,000 Nakfa and require that all foreigners exchanging money to prove that they obtained it legally. The government also encourages the citizen to use cheques and bank transfers to reduce the size of the cash economy that allowed illegal trade to thrive (Solomon, 2015).