EU and Egypt: Challenges and Obstacles Ten Years After ENP

Introduction

In March 2003, the European Commission released a paper on the ‘Wider Europe Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours’ outlining the basic principles of the European Neighbourhood Policy (ENP). This policy was launched in 2003-2004 in the context of enlargement so that the enlarged EU would be able to cope with instability and insecurity in its new Eastern neighbourhood and the South Mediterranean neighbors. According to the Commission, the declared aim of the ENP is to share the benefits of the EU’s 2004 enlargement with neighbouring countries in strengthening stability, security, and well-being. The “wider Europe” scheme within the ENP is compatible with and complementary to the Barcelona Process. However, this process, which was initiated in 1995 known also as the Euro-Mediterranean Partnership (EMP), turned out to be not effective and problematic.

On the contrary to the Stabilization and Association Protocols (SAPs) as a package for preparing countries from the Southeast Europe for eventual EU membership the ENP is an alternative to EU’s membership, there is no declaration in it that ultimate goal is accession to EU.

The ENP has two attributes. First, more general purpose in establishing stable EU’s neighborhood, through soft policy means, in sharing the EU’s values and pursue security and other foreign policies that are broadly consistent with the EU’s; second it offers neighboring countries from the South and East significant improvements in access to the single market and expanded technical assistance through new funds instruments within formula a “more-for-more” – more reforms – more EU’s financial assistance. The underlying rationale of this


“more-for-more” approach reflects a rather simple logic: the more Arab Mediterranean governments undertake relevant reforms, the more support they can expect from the EU. As noticed Stephen Heydemann: “by referring to key terms such as “incentives,” “compliance,” “positive conditionality,” “differentiation,” and “upgrading of relations,” the new partnership not only uses the same jargon as the ENP but also maintains the EMP’s former initiative key weaknesses”\(^3\).

Declared goal of the ENP is based on common interests and on values — democracy, the rule of law, respect for human rights, and social cohesion. Partner countries agree with the EU an ENP action plan demonstrating their commitment to democracy, human rights, rule of law, good governance, market economy principles and sustainable development.

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The EU supports the achievement of these objectives by:

- financial support – grants worth €12 bn were given to ENP-related projects from 2007 to 2013
- economic integration and access to EU markets – in 2011 trade between the EU and its ENP partners totalled €230bn
- easier travel to the EU – 3.2 m Schengen visas were issued to citizens, and in particular to students from ENP countries in 2012
- technical and policy support\(^4\).

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These financial instruments and the concept more for more was based on assumption that autocrats in the North Africa and Middle East (MENA) through the ENP would modernize political systems in the MENA, initiating liberalization and reforms, additionally guarantying stability and thus prevent migration influx to Europe. As it turned out in the Arab Spring surprised EU. The initial EU response to the Arab Spring was very cautious and modest reflected with its reluctance of the EU in supporting people’s demands in the region (wait and see approach). Finally, in May 2011, partly in response to the Arab Spring, the European Commission and the European External Action Service launched a new and ambitious European Neighborhood Policy (ENP) — confirming the EU’s determined and reinforced engagement with its neighbors to the East and to the South. The EU recognizes the necessity for a ‘differentiated approach to each state from the Mediterranean. The Arab Spring and its consequences on Egypt, Libya, Syria and Tunisia was a test for ENP. Transformation Initiated by the Arab Spring is still ongoing process with different results from stability in Tunisia, internal conflict, or returning autocracy case of Egypt. An approach on chosen state examples is essential for better analyzing challenges and obstacles in functioning the ENP after 2004.

The ENP and Egypt

With more than 80 million inhabitants, Egypt is the largest country in the region; it has a strong, albeit underexploited, economic potential, and an important strategic role in the MENA region. Cairo is also the largest city in the Arab-Islamic world, of which it still represents the main hub of intellectual activity, around the Al Azhar mosque.

The relations between Egypt and EU were initiated in 1966. Egypt is a strategic partner in the Middle East for the United States and EU. From 1977 to mid-2004, EU/Egypt bilateral relations were governed by a Co-operation Agreement, which provides for economic co-operation between the parties and establishes provisions for non-reciprocal trade liberalisation and market access. Under its provisions, Egypt enjoys free market access for its industrial exports to the EU, while EU exports of industrial products enjoy a positive Egyptian treatment.

The legal basis for EU-Egypt relation is Association Agreement signed in 2001, which came to force in 2004, which was supplemented by an Action Plan approved in 2007. It is important to note that the EU is one of the biggest donors to Egypt. Since 1995, the assistance provided by the European Community alone has amounted to over Euro one billion through various programmes such as the Mediterranean Economic Development Assistance (MEDA), and the European initiative for democracy and human rights. The EU’s financial support to Egypt through MEDA 1 (1996-1999) amounted to around 686 million Euros, constituting 17% of the total support give to the south Mediterranean. The European Investment Bank extended loans amounting to 250 million Euros in the same period. Accordingly, in the framework of MEDA II (2000-2006), financial assistance to Egypt, rose to 594 million Euros. Noteworthy, the European Investment Bank gave loans totaling 1.920 billion Euros.

More ambitious and wider program and more advanced cooperation was proposed to Egypt through ENP, which came into to force in 2007 by jointly agreed EU-Egypt Action Plan. The AP covers the political, social and economic fields, designed to move Egypt closer to a set of shared values with the EU. Since 2007 the EU Commission’s financial instrument for cooperation with Egypt and other states within ENP is European Neighbourhood and Partnership Instrument (ENPI). In this strategic framework EU’s cooperation with Egypt is précised in the Country Strategy Paper. There are three priorities in EU’s assistance to Egypt within the ENPI in 2007: support to political reform, human rights and the judiciary. Support to economic reform. Support to sustainable development.

The bilateral ENPI budget allocation for Egypt for the three-year period 2011-2013 was €449 million, an average of broadly €150 million per annum, which represents an increase of over 5% compared to the previous programming period 2007-2010 which totaled €558 million over four years.

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5 Overview of the EU’s relations with Egypt, http://eeas.europa.eu/delegations/egypt/eu_egypt/political_relations/index_en.htm

6 Journal of European Studies 98 Contemporary EU-Egypt Relations within the Parameters of the EU’s Euro-Mediterranean Partnership Programme and ENP Shaista Shaheen Zafar

EU policy to Egypt and as the rest states in the Mediterranean is focused on support for civil society, economic liberalization and “good governance” in belief it would create pressure in favor of political reform. Another EU initiative related with the ENP is launching of the Union for the Mediterranean. Egypt’s reaction to the Union for the Mediterranean (UfM) was positive for two reasons. First, in contrast with the ENP, the UfM placed much more emphasis on co-ownership and less on EU-led reforms. And second, Egypt was given the co-Presidency of this initiative, together with France. In this way, Egypt’s role as a sort of *primus inter pares* among Arab countries was perceived to be fully recognised by EU countries. However, following the Israeli attack on Gaza in December 2008, no political-level meetings of the UfM have taken place. The crisis affecting the UfM has also dealt a blow to the Euro-Mediterranean partnership, which was absorbed into the UfM. For instance, Israel’s decision to launch its ‘Operation Cast Lead’ on the Gaza Strip in December 2008 and January 2009 led to the postponement of scheduled UfM meetings because the Arab states refused to have joint sessions given Israel’s actions towards Palestinians. In mid-2010, again Arab countries refused to participate in a summit that the controversial Foreign Minister Avigdor Lieberman was scheduled to attend. And finally, at the end of 2010, Israel’s announcement of the construction of 1,300 new settlements in East Jerusalem made it inconceivable for the Arab members of the UfM to attend alongside the Israeli representatives. The UfM initiative did not extend the ENP – as it turned out, conflicts and problems in the Middle East proved again that new ideas and projects would not bring to the desirable breakthrough.

Except outer initiatives as the ENP and UfM, also in Egypt were undertaken in 2005 some political reforms. Before the Arab Spring, the Egyptian parliament in 2005 passed a number of political reforms. The result of partial liberalization and resurgence of opposition gave astonishing elections results – the big winners were Islamist opposition – candidates associated with the Muslim Brotherhood gained 88 seats. However, pro-Mubarak the National Democratic Party retained more than a large majority of seats. The autocratic regime reacted by use security forces against the Muslim Brotherhood and other oppositionist parties. As it turned out – liberalization was modest and Mubarak’s regime stepped back in front of

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growing support for candidates associated with the Muslim Brotherhood. Both the US and EU professed a clear commitment to political reforms in Egypt along democratic lines. In 2005 Mubarak’s regime tried to do a limited liberalization, this modest attempt was stopped and the Egyptian president preferred to retain full political power. In the third round of voting 1300 members of the Muslim Brotherhood had been detained. This modest liberalization, which finally stopped was undertaken due to the external pressure both from the United States and European Union and internal – a resurgence of Egyptian opposition but was finally stopped by the Mubarak’s regime in a halfway.

Between 2010-2011, it could be perceived that ENP is an effective instrument and empowered the civil society in Egypt and helped in breaking autocracy. Analyzing reasons of Egyptian Arab Spring more than ENP the success of Tunisian demonstration emboldened Egyptians to “break of fear”. Unlike those forces loyal to president Mubarak, the most important force the army remained neutral and did not engage in putting down the demonstrations by force. In February 2011 the authoritarian regime of President Hosni Mubarak was toppled and replaced by the Supreme Council of the Armed Forces (SCAF). Later in 2011 and the beginning of 2012 elections were held, which resulted in the formation of a parliament, in which the Islamist parties play a dominant role. Mohammad Morsi, the leader of the Muslim Brotherhood (MB) Freedom and Justice Party (FJP), one of the most important Islamist parties in the new Government, won the presidential elections and assumed office as President on the 30th of June 2012. From the inception a conflict between president Morsi and SCAF was visible. The president attempted to reduce SCAF’s influence on the Egyptian political scene. The first half of 2013 was tainted by the negative atmosphere created by the rushed constitutional process and a Constitution adopted with a limited turnout (32%) by popular referendum in December 2012. The process had been controversial and heavily criticized by the opposition, and there was little real effort made by the Morsi government and the MB towards political reconciliation and a genuinely inclusive political process. This led to a deeply divisive political crisis that culminated at the end of June in massive demonstrations against the government throughout the country. Following an ultimatum set by the armed forces, Mohamed Morsi was ousted from office on 3 July 2013 and put under house arrest. In response to the ousting, supporters of the Muslim Brotherhood and Mr Morsi organised mass demonstrations and sit-ins. The new Egyptian authorities violently dispersed the Muslim Brotherhood-led sit-ins in Cairo on 14 August, which led to

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more than 1000 people being killed, including security personnel. A state of emergency was reinstated and ended on 14 November, although the authorities continued a clampdown on the Muslim Brotherhood and its affiliates, with thousands arrested and detained on criminal charges, primarily incitement to violence\(^\text{11}\).

The Defence Minister, General Al Sissi, who played a pivotal role in the ousting of President Morsi, indicated that he may run for President, a testimony of the overwhelming influence of the Army in domestic politics. Chief Judge Adly Mansour was appointed as interim President and nominated an interim government, led by Prime Minister Beblawy and made up mainly of technocrats. A political road map was adopted by the new authorities, envisaging a revision of the Constitution, with parliamentary and presidential elections to follow to complete the process by mid-2014. In June 2014 Abdel Fattah El-Sissi after popular vote assumed power as president.

In view of the upcoming constitutional referendum, the interim government invited the EU on 4 November to observe the poll. The referendum was held on 14-15 January 2014, and led to an overwhelming approval of the draft Constitution. However, voter turnout was relatively low (38.6 %) and very limited space was given to the opposition during the campaign, casting serious doubt on the fairness of the process and of the outcome.

The new Constitution removes most of Islamist references its predecessor contained, although it continues to limit the rights of worship to the three “religions of the book”. It retains the separation of powers introduced in the 2012 Constitution and bolsters the rights chapter, while leaving many details to future legislation. It also ensures a high level of military autonomy, and continues to allow for military trials of civilians.

The official EU approach to the new developments in the Middle East has been one of support for the new, democratic tendencies, as it could be seen with the launching of “A New Response to a Changing Neighbourhood” of 25 May 2011\(^\text{12}\). The new strategy expressed


support for “deep democracy”, defined as “free and fair elections; freedom of association, expression and assembly and a free press and media; the rule of law administered by an independent judiciary and right to a fair trial; fighting against corruption; security and law enforcement sector reform (including the police) and the establishment of democratic control over armed and security forces”. Furthermore the EU wanted to promote a civil society by supporting organizations and NGO’s. The new strategy refers to the ENP and as noted Peter Seeberg: “The more and the faster a country progresses in its internal reforms, the more support it will get from the EU.

Formal dialogue under the ENP, which had been suspended since January 2011, resumed through an Association Committee meeting in February 2013, following the commitment made in the EU-Egypt Task Force in November 2012.

The ENP Progress Report, published 15 May 2012, described how Egypt experienced profound change and daunting political and economic challenges during 2011.

In 2013 the situation in Egypt was tense and complicated. Due to political events, Egypt did not address the remaining key recommendations contained from the ENP 2012 progress report, most of which are still pertinent. Consequently, on the basis of this year’s report and to sustain implementation of the ENP Action Plan still in place, among many issues the EU noticed Egypt to:

• create conditions conducive to an active and independent civil society and adopt legislation on non-governmental organisations (NGOs) and amend the law regulating assembly in line with international standards;

• ensure the protection of women’s rights and gender equality;

• address firmly the serious situation in the Sinai by closing down torture camps and

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14 P. Seeberg, The Arab Revolts and the strategic relations between the EU and the MENA region – the case of Egypt, Center for Melmøststudier Analysis, October 2012. p. 6.

by dismantling the criminal networks operating on the trafficking/smuggling routes within and towards the Sinai;
• organise genuine democratic presidential and parliamentary elections, in line with international standards;
• completely halt the use of military courts to judge civilians;
• ensure that investigations on the many cases of violence, including sexual abuse, are carried out and that the perpetrators are promptly brought to justice;
• ensure macroeconomic stability and strengthen public finance management in line with international standards and put in place necessary economic reforms;
• ensure and implement social safety net systems to protect the most vulnerable from the impact of reductions in commodities subsidies;
• ratify the regional Convention on pan-Euro-Mediterranean preferential rules of origin\textsuperscript{16}.

The transformation in Egypt took its turn into a new form of autocracy with dominant influence of the Egyptian army. Apart from a deep divide and bloody clashes between supporters of the MB and secular state and ousting president Morsi, the matter of concern are limitation for the NGO-s in Egypt. Early in 2012, a case was lodged against ten NGOs, accusing them of operating without a licence and receiving illegal funds from abroad. On 4 June 2013, all 43 foreign and Egyptian defendants were found guilty. Sentences included up to five years imprisonment, fines, the permanent closure of the NGOs concerned and seizure of their property. This landmark ruling increased the uncertainty and risks for foreign NGOs working in Egypt and for local NGOs that receive funds from abroad.

Another act which can be treated as more autocratic tendencies in the Egyptian politics is banning in September 2013 by a court the Muslim Brotherhood and any related organisations and ordered their assets seized. In December 2013, the interim cabinet designated the Muslim Brotherhood as a terrorist organisation.

In 2013 another example is the practice of trying civilians in military courts continued throughout the year. In June, more than a thousand people were in prison following military trials. More than 60 civilians, primarily members of the Muslim Brotherhood, faced, or were convicted in, military trials after the change of government.

\textsuperscript{16} JOINT STAFF WORKING DOCUMENT Implementation of the European Neighbourhood Policy in Egypt Progress in 2013…op. cit.
After a coup against controversial president Morsi and subsequent important events in the Egyptian political life as a new constitution, presidential elections in June 2014 and parliamentary elections, which began on 15 July 2014 and will be held by the end of 2014, which marked transformation of Egypt after 2011, arises important questions on the final character of Egyptian political system. Would it be a new form of autocracy as it is now or it step by step transform from refreshed autocracy to more democratic system.

For the EU with instruments as the ENP it is important question – written and accepted declarations in the Action Plan, which are focused on democratic transformation confronted with reality, which is very distanced from the desirable model. In redefined ENP should be more emphasized stability. Requirements only on freedoms and civil society in EU’s initiatives can be irritating factor for Cairo in consequence diminishing the EU’s role as a partner in the Egyptian transformation.

Conclusions

- However, the EU was Egypt’s main trading partner in 2012. Bilateral trade flows increased to EUR 24 billion in 2012 and have more than doubled since the entry into force of the Association Agreement (i.e. from EUR 11.5 billion in 2004), nearly all declarations written in the Associated Agreement and the Action Plan are not fulfilled.
- The ENP from its beginning did not take into consideration visible differences between Mediterranean and Eastern neighbors. On one hand, Moldova and Georgia conceive it as an opportunity to come closer to the EU and of having a chance to be accepted one day as potential candidate countries; Georgia and Azerbaijan also see the ENP in a more strategic way and encourage the presence of the EU to counterbalance the role of Russia in the region. On the other hand, Morocco and Tunisia conceive it as an opportunity, if not to integrate with the EU politically, at least culturally and economically (gaining access to the EU’s internal market). Countries from the Middle-East clearly take this cooperation less seriously, partly because of the EU’s incapacity to manage conflicts.
- As Stephen Heydemann noted – for the first seven years of the ENP have shown, authoritarian Arab Mediterranean governments have hardly considered the “carrots” as sufficiently attractive to undertake wide-ranging reforms that would affect the overall nature of the polity in question in a positive and thus more democratic way. Instead,
during that time, most regimes simply resorted to the practice of “upgrading authoritarianism”.¹⁷

- During the Tunisian uprising the EU already displayed an image of a rather fragmented and heterogeneous spectator. Only when, in early February 2011, British Prime Minister Cameron criticized the Egyptian regime and called attention to state-sponsored violence did the EU slightly change its tone. On February 4, i.e. one week before Mubarak resigned, it published a European Council declaration in which “it condemned in the strongest terms the violence and all those who use and encourage violence” and “called on the Egyptian authorities to meet the aspirations of the Egyptian people with political reform not repression”.¹⁸

- In other words, the problem the EU is facing in the Southern Mediterranean with special respect to Egypt is how to influence a reluctant environment. Here, several factors have a problematic impact on the results of the ENP:. Egypt shows an enormous gap in democratic as well as economic development, marking a difficult starting position for the demanding tools of the ENP;. Despite all rhetorical commitment, until now, Egypt has reacted in an extremely sensitive way to interference in its internal affairs, which, of course, is an integral part of the procedural approach of the ENP; and. Finally, these obstacles cannot be overcome by any strong incentive, such as the membership option. Thus, the means for mitigation are limited financial help and economic preferences for common market access.

- The European Union and the United States, taken by surprise by the sudden outbreak of the Arab Spring, have had to accept their lack of influence over these revolutionary upheavals. They may assist or obstruct, but they cannot determine the course of events.

- The EU should redefined the ENP to Mediterranean and especially to Egypt – within the scope apart democratic transformation as desirable direction, should be put a frontline the Egypt stability, due to its pivotal strategic role in MENA

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¹⁸ For example - while the majority of EU governments opted for a wait-and-see approach in order not to offend the Tunisian regime in the event that the uprising turned out to be unsuccessful, France even offered the Tunisian security forces material support and expertise on crowd control; see more: P. Gordon, “Europe’s Uncommon Foreign Policy”, “International Security”, Vol. 22, No. 3 (1997-1998), p. 74-100.
The ENP initiative emphasizes liberalization and civil rights within Egyptian political life.