BETWEEN RHETORIC AND IMPLEMENTATION OF EU RELATIONS IN THE MEDITERRANEAN: THE CASE OF THE EUROPEAN NEIGHBOURHOOD POLICY (ENP) IN EGYPT

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ABSTRACT

The European Neighbourhood Policy can be considered the most comprehensive articulation of a European Union policy in the southern Mediterranean. Much of the credibility of the EU as a regional actor is linked to its capacity to influence, integrate and stabilise its immediate neighbourhood. The advent of the Arab Spring has undermined these objectives and tested EU strategy in the region. This study aims to address the rationale and the implementation process of the ENP in Egypt, prior to events of January 25th 2011. It aims to question the ‘normative’ character of EU power and to assess its capacity to ‘shape’ its neighbourhood, and specifically, to induce change and reforms in Egypt. Through detailed elite interviews and extensive documentary analysis, this thesis contributes to knowledge on the ENP in Egypt by examining policy tools, processes and mechanisms, and their actual impact on the ground.

Given the difficulty of analysing the ENP from one approach alone, this study has adopted an eclectic theoretical framework. Theoretical explanations of the ENP need to take into account the different and multiple dimensions of the policy, thus affecting our understanding of the EU as a regional actor. In particular, this thesis critiques ‘normative power Europe’ explanations of EU external action. According to this study, the normative power thesis finds strong supporting evidence in official documentation and public speeches by EU leaders but is far less apparent in the implementation process ‘on the ground’. In the context of Egypt, policy cycles, sectors and motivation have emerged as determining factors in the different explanations of EU international behaviour. This study has also demonstrated that although the European Neighbourhood Policy holds the tools and mechanisms to induce transformation and change in third countries, their practical application is often weak. The ENP in Egypt has been only partly successful in promoting change and reforms, with the success being selective, modest and sector-oriented. The study has also highlighted the limits of Egypt as a third country, to absorb and adopt certain norms and values.
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DECLARATION

Whilst registered as a candidate for the above degree, I have not been registered for any other research award. The results and conclusions embodied in this thesis are the work of the named candidate and have not been submitted for any other academic award.

Word Count:
77,046
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Chapter Three

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ABBREVIATIONS

AA – Association Agreement
AAP – Annual Action Programmes
ACAA - Protocol on Conformity Assessment and Acceptance of Industrial Products
AF – Action Fiche
AFD– French Agency for Development
AP – Action Plan
BA – Budgetary Aid
CAP- Common Agricultural Policy
CFSP – Common Foreign and Security Policy
CSO – Civil Society Organisation
CSP – Country Strategy Paper
DEVCO (DG) – Directorate General Development Cooperation
DG – Directorate General
DSM – Dispute Settlement Mechanisms
EEAP- EU-Egyptian Action Plan
EEAS – European External Action Service
EIB – European Investment Bank
EMP-Euro Mediterranean Partnership
EMAA- Euro Mediterranean Association Agreements
ENP – European Neighbourhood Policy
ENPI- European Neighbourhood Policy Instrument
EOS – Egyptian Organisation for Standardisation
ESS – European Security Strategy
EU – European Union
FDI – Foreign Direct Investment
FPA – Foreign Policy Analysis
FTA – Free Trade Area
GATT – General Agreement on Tariffs and Trade
GMP- Global Mediterranean Policy
HQ- Headquarters
IFIs - International Finance Institutions
IMF – International Monetary Fund
ACKNOWLEDGEMENTS

Writing this thesis has been an important achievement but also a long and at times, troubled journey. It would not have been possible to finish this study without the support of the numerous people that have been part of this process along the way. Firstly, I would like to express my sincere thanks to Fergus Carr, for his endless calm, patience, inspiration and commitment. Without his encouragement and advice I would not have been able to finish this project. Secondly, I would also like to thank my other supervisors, Tony Chafer and Paul Flenley for their guidance, ideas and readiness to support. To all my supervisors I am sincerely grateful. Thirdly, I would like to thank all those who have helped me along the way with inputs into my research, guidance and general support. These include Edward Stoddard, Natalya Vince, Walid Benkhaled, Maria Fritsche, Nick Boke, Emmanuel Godin, Mike Redgrave, Kay Peggs and Dave Carpenter. Thanks are also due to Lou, Louisa and Piers for their constant assistance.

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Special thanks are due to my family and loved ones who have always been supportive and patient, and helped immensely to keep things in perspective. To you all I will be ever grateful.

Finally, I want dedicate this work to my father whose memory has inspired and guided me each and every step of the way.
This paper examines the processes of Europeanisation of French foreign policy and the impact of French preferences and interests on EU initiatives in the Mediterranean, by taking the EU as the starting point. The main arguments advanced are that today, like in the past, French foreign policy in the Mediterranean manifests a Gaullist orientation and view underpinned by principles of grandeur and exceptionalism. In the past, France has been successfully able to upload and project a set of policy preferences in the Mediterranean and at the EU level, thus reflecting a bottom-up understanding of the process of Europeanisation. In the case of the UfM, the paper argues that although the traditional orientation of France's foreign policy has not shifted, the means to attain its goals have. The case of the UfM provides an interesting example of Europeanisation, one not related to the process of projecting and uploading a set of policy preference at the EU level but rather, one related to the political costs of not doing so.
INTRODUCTION:

The advent of the Arab Spring in 2011 has raised important questions about the rationale of the European Neighbourhood Policy (ENP) in the Mediterranean and arguably, about the credibility of the European Union (EU). To an extent, we can say that the Arab Spring was exactly the phenomena that the ENP was designed to prevent from happening. The civil protests and revolts from Tunisia to Egypt against the ruling regimes and their economic record and absence of reform were outcomes that a successful ENP should have prevented.\(^1\) The objectives of the ENP in the Mediterranean are primarily to achieve regional stability and economic development through the promotion of reforms and change in the socio-economic and political domains (European Commission: 2004). So why did the EU agenda in the Mediterranean fail? The case of Egypt is particularly interesting due to the country's historical and geo-political role in the region and importantly, due to its relevance for EU strategic interests. Egypt is the most populous country in North Africa and the Middle East and until the fall of the Mubarak regime at least, the second largest beneficiary of EU financial support in the Mediterranean\(^2\) (Devco-Europeaid, Country Cooperation, 2014). Despite this substantial investment of material and human resources, EU support for domestic reforms was unable to prevent socio-economic and political conditions deteriorating to the point of civil unrest and the eventual fall of Mubarak. Hence, we could argue that the so called Arab Spring is both the manifestation of deteriorating domestic socio-economic and political conditions, as well as the confirmation that the regimes in power had lost much of their legitimacy. In this context therefore, one should ask what have been the objectives and impact of EU cooperation with Egypt? More specifically, this study addresses the question of:

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\(^1\) It is important to note at this stage that this study can be defined as Euro-centric in that it aims to focus on EU efforts in Egypt through the ENP in a vacuum. The study does not account for any similar effort by other international actors such as the U.S and/or the U.K. for instance, simply because the interest of this study which is purely focused on the effectiveness of the EU policy instruments under the ENP and less so on the process of change and reform in Egypt.

\(^2\) Under the Euro-Mediterranean Partnership (EMP) (MEDA programmes 1996-2006) Egypt received €1286m compared with Morocco’s €1600m, while allocations for Tunisia were at €935m and Jordan €500m. Under the ENP (NIP 2007-2010 and 2011-2013) total figures for EU financial allocations were as follows: Egypt €1007m, Morocco €1230m, Tunisia €540m, Jordan €488m (the OPT received €4.26b from 1994 to 2009 while Israel €13.5 under NIP only) (Devco-Europeaid, Country Cooperation, 2014).
How effective has the ENP been in Egypt as a policy for change and reforms?

This study will focus on the ENP in Egypt during the period 2007-2011 and up until the fall of the Mubarak regime. Reflections on the post-Mubarak period will be included in the study but is important to clarify that the focus on the research spans only in the period indicated above. The choice of Egypt as a case-study was driven by the country’s relevance to the EU. Egypt represents for the EU a complex and difficult example of bilateral relations under the framework of the ENP due to its domestic and regional political history and the legacy of specific institutions within the state, namely the armed forces, the security apparatus and the presidency. Traditionally, Egypt has held a leading role in the region due to its size and influence, particularly in modern times where Cairo was seen as the centre and inspiration for Arab nationalism under the leadership of Nasser. The advent and influence of Nasser has been a pivotal factor in the developments which have characterised the Arab-Israeli conflict over time and to this day, Egypt maintains a crucially influential role in the conflict. Importantly, the Nasser-era could be seen as having shaped both Egyptian political culture as well as the centralised nature of the Egyptian state and state institutions to date. These domestic conditions have proven to be a substantial challenge for the promotion of democracy and political reforms by the EU. Maybe more than any other ENP partner in the Mediterranean, Egypt remains a crucial and at the same time problematic partner for the EU, creating for Brussels a true dilemma in terms of priorities: security and stability or democratisation?

Since the advent of Nasser in 1952, the Egyptian political system has been highly centralised, controlled and repressive towards any form of political competition. Under the twenty years of the Mubarak regime, the security apparatus gained unprecedented draconian powers and control over political dissidents, mainly Islamists associated with the Muslim Brotherhood (MB) and El Jamaa El Islameya during the 1980s. Additionally, the Egyptian military apparatus has gradually become more independence and self-sustained from
state resources by developing a parallel military economy which eventually, has been integrated into the national economy with all its related problems. Hence, we could argue that in principle at least, these conditions make Egypt a highly problematic partner for the EU but also a very interesting case study in the context of the objectives and aims of the ENP. From a theoretical perspective in fact, Egypt provides a crucial testing ground for the EU normative power thesis. The centralised nature of the state and the power of particular institutions within it and the nature of the economy and economic activity make Egypt an interesting case-study when evaluating the transformative power of the EU (ENP) as understood in this study, i.e. change and transformation at policy, polity and political levels.

The main hypothesis of this study will argue that the ENP has been only partly successful in promoting change and reforms and that this success has been very modest and sector-oriented. This thesis will demonstrate that the EU promotes certain norms and values in a selective manner. Moreover, evidence collected from the ground will show the limitations of the Egyptian administration and system to adopt certain norms and values.

The study will provide evidence that a degree of reforms and change have taken place under the ENP in the domain of trade and in some aspects of the socio-economic sector. However, political reforms under the ENP have been at best minimal. This has important implications for theoretical explanations about EU behaviour internationally and in particular for the normative power thesis. The important point to clarify with regards to the hypothesis is that the ENP manifests shortcomings with regards to the motives associated with political reforms, i.e. the lack of political will both by the EU and Egypt to promote and engage in a reform pathway in the sector. In contrast, this study will also argue and provide evidence to sustain the argument that the policy mechanisms do in fact hold the potential for the transfer of various norms and processes in partner states. Thus this study will argue that the tools and instrument for cooperation under the ENP provide the mechanisms for norms
transfer even though the implementation of these tools has often been relegated to specific sectors and/or have been applied cosmetically.

It is important to note that this study has been characterised by a strong ethnographic approach whereby the dual role of the researcher has allowed the analysis to benefit from a good degree of reflexivity which has strongly influenced the epistemology. This point will be further developed in the methodological section below.

THE STUDY OF THE ENP IN EGYPT: DE-CONSTRUCTING THE PROBLEM

Officially, the ENP has been described as a policy to engage countries that do not have the prospect of membership (European Commission, 2003, p. 4). Nevertheless, this study will provide evidence to sustain that the ENP embodies numerous elements of the normative power thesis and tools that operate along the mechanisms of socialisation and conditionality and that therefore, are conducive to promote change and reforms. In *primis* is the statement that relations under the ENP framework are based on the commitment to shared values understood as democracy, the respect of human rights and the rule of law. Importantly, the promotion of these values is not seen as the ultimate goal of the EU but rather, as the means to attain the strategic regional objectives of stability and prosperity (Pace, 2009, p.42). This also implies the explicit attempt by the EU to promote certain type of values and norms as conditions in its external environment and through its foreign policy, which are fundamentally similar to the criteria for accession. As Manners noted (2002, pp. 353-4), the characteristics of the EU in international relations are to be found in its recent experience which is also the experience of its member states and thus, in its collective identity in foreign policy. Based on the experience of the EU and a specific set of identifiable values, norms, practices and images of the world that derive from that experience, the EU is seen as able to shape and/or influence as what it sees as normal in the international arena and therefore,
able to exert normative power (ibid.). This assertion emphasises a conceptualisation of the EU as a stabilising force in international affairs derived by its historically developed and formed values and principles and, by a foreign policy inspired by an ‘ethic of responsibility’ towards others (Manners and Lucarelli, 2006, p.4). The concept of normative power here is understood here as the ability of the EU to project its rules, standards, values and institutions in third countries in its immediate periphery (Pace, 2007b, p.662). However, evidence of the application of normative power remains weak in the Mediterranean region. From the Maghreb to the Mashreq the emphasis on democracy, human rights and the rule of law in EU foreign policy can be considered as ever-present rhetorically but largely ineffective and non-influential in practice (Pace, 2007, p. 1055).

This study aims to investigate the degree of norm-transfer under the framework of the ENP in Egypt and the EU-Egypt Action Plan (EEAP) and thus, question the constructivist/normative explanation of the ENP. Arguments supporting the EU normative power thesis tend to rest theoretically and empirically on the evidence provided by enlargement policy. A number of factors are to be considered here. Firstly, that the enlargement process has so far exclusively taken place with states that could be considered as part of a European conceptual space, both geographically and historically. Importantly then, with partners that do not hold the prospect of accession the empirical evidence of a normative power model are not as strong in comparison. Secondly, the economic variables associated with the process of enlargement (prospect of full market integration, market proximity and economic characteristics of potential member) could all be seen as conducive for approximation with the EU and thus, provide evidence of EU normative power in this regard. The nature of most Mediterranean economies and the lack of prospect for full economic integration are all factors that provide a challenge to normative power theories for the EU in the region. Finally and most importantly maybe, normative power arguments tend to emphasise the projection of EU interests in its foreign policy by focusing on language and discursive rhetoric for empirical evidence. However, the implementation of
policy-related aspects, particularly with regards to policy prioritisation (ideational) and resource allocation (material), seems to be neglected. This is an important point to make since the aim of this study is to address this apparent gap by explicitly focusing on these neglected areas: i.e. the Europeanisation of sectors, the instruments of cooperation and related mechanisms for norms transfer and adoption (conditionality and socialisation) in practice, partner’s response and the perceptions and opinions of practitioners. In particular, the interest in this research stems from an apparent gap in the literature (and knowledge) specifically on the implementation of the ENP in Egypt. In fact, much of the literature on the ENP in Egypt has been void of empirical evidence related to the implementation process, with most of the analysis relying on formal documentation and secondary data (e.g. Comelli:2010; Zafar:2011).

This study on the other hand, will attempt to explain and unpack the implementation of the ENP in Egypt by focusing the analysis on the operational and decision-making structures of the policy, i.e. addressing how the policy works on the ground and in practice and which tools and instruments are applied, how and with what degree of success. This will entail understanding and explaining how (if at all) positive and negative conditionality are applied through the ENP in Egypt and how do policy practitioners perceive the process itself. In this context, the researcher' position could be said to have been a privileged one since during the data collection period the researcher was in employment at the EU Delegation in Cairo. This has been a deliberate choice in order to experience and better understand the internal workings of the policy processes, organisational culture and perceptions of practitioners, despite the obvious ethical challenges associated with this dual role of researcher and practitioner (this latter point will be covered more extensively below).

By broadening the focus of the analysis from EU intentions and rhetoric in foreign policy to include the actual implementation of policy objectives, as well as reactions, opinions and expectations of policy-practitioners on the ground, we are potentially able to: a) verify the extent of normative elements and
priorities in the formulation and expectations of EEAP, b) identify and trace the application of normative power in its implementation by sector and thus, evaluate the EU ability to change/transform what could be considered as priority domestic environments and c) enrich in depth and quality the analysis with supporting evidence of policy practitioners.

The development of an eclectic theoretical framework is seen essential and able to provide alternative explanations by focusing on the motivational drivers at the various policy stages, at different sectors and within different processes of the ENP in Egypt. The analysis in this study will relay on discourse as a method, focusing on content analysis and thus, allowing each of the three theoretical approaches to provide a specific set of explanations and perspectives. Thus, by engaging with a number of different theoretical perspectives on the basis of their tenets and test them against the evidence on the ground, we can aim to falsify or confirm one or more of these theoretical models. In many cases, more than one theoretical explanation might also be applicable.

The table below briefly outlines the assumptions for the three theoretical perspectives and their respective implications for both the ENP in Egypt and for the EU as a regional actor:

<table>
<thead>
<tr>
<th>MAIN ASSUMPTIONS</th>
<th>CONSTRUCTIVISM</th>
<th>REALISM</th>
<th>LIBERALISM</th>
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<tbody>
<tr>
<td></td>
<td>The international system is socially constructed.</td>
<td>The international system is anarchic and conflictual.</td>
<td>The international system is anarchic but can be mitigated through cooperation.</td>
</tr>
<tr>
<td></td>
<td>Actors’ identities and interest are the main determinant of social construction.</td>
<td>Power and survival are the main determinant of actors behaviour.</td>
<td>The international system is characterized by mutual dependence.</td>
</tr>
<tr>
<td></td>
<td>Agent-structure relations are mutually constituent.</td>
<td>The centrality of the state is emphasized.</td>
<td>Centrality of the state and of power.</td>
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</table>

7
<table>
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<tr>
<th>WHAT DOES APPROACH TELL US ABOUT THE ENP AND ITS IMPLEMENTATION IN EGYPT</th>
<th>role of ideational factors. Values, rules and norms as motivational forces.</th>
<th>Skeptical of cooperation in situations of asymmetry. Emphasizes the role of material interest and material power.</th>
<th>Power is conceptualized in broader and more abstract terms, emphasizing economic power. International institutions are key for forging shared interests and cooperation.</th>
</tr>
</thead>
</table>
WHAT DOES APPROACH TELL US ABOUT THE ROLE OF THE EU AS A REGIONAL ACTOR (ALSO MS)

| | Ontologically normative, prescriptive behaviour. Perceives a role of historic responsibility. Characterised by the concept of normative power. | Driven by self-interest and pragmatism. Characterised by the pursuit of regional (structural) power and influence vis-à-vis other actors. Motivated by the pursuit of resources and public goods. Hegemonic economic actor and anchor. | Driven by a neo-liberal agenda. Emphasizes the role of EU institutions. Expansion of EU governance. Characterised by the concept of soft power. Asymmetric economic actor. |

Table 1

In the context of the ENP the normative power thesis could be tested on three levels. Firstly, by evaluating if key policy documents (formulation) reflect the ethical and constitutive factors outlined above we can evaluate to what extent is the normative agenda a priority in Egypt and thus, to what extent EU foreign policy is driven by its historical experience and derived ethical tenets. Secondly, by evaluating on the implementation of the policy objectives (operational) on the ground we can identify the extent, ability and willingness of the EU to behave according to these tenets. Here, the focus will rest on political will, priority sectors and tools/instruments for cooperation. By focusing on the opinions, expectations and understanding of key foreign policy EU actors we can understand the extent of their individual identification and thus, applications of these tenets in their daily work. Therefore and in order to address the above gap and challenge the normative power thesis, this study will provide an eclectic theoretical framework which will allow for alternative and additional explanations.
Moreover, the empirical evidence will be collected from a number of sources including official documentation, observations and interviews with key policy practitioners. As already mentioned, the ethnographic perspective to this study has allowed to dwell into more in-depth questions related to ENP practitioners’ perceptions and expectation of the policy and of its implementation in Egypt. Resting on Bourdieu’s concept of Participant Objectivation (2003), this study has relied on the researcher personal experience and personal history both as a policy practitioner working for the EU in Egypt, but more importantly, as someone that strongly identifies with Egypt and that has spent all of his forming years there. This privileged position, has naturally solicited a more open and at times even confidential response from Egyptian participants to this study, thus enriching it with invaluable insights and personal perspectives. Importantly, it has influenced the data analysis process by having influence the researcher’s presuppositions:

“[…] idiosyncratic personal experiences methodically subjected to sociological control constitute irreplaceable analytical resources, and all that mobilizing one’s sociological past through self-socio-analysis can and does produce epistemic as well as existential benefits” (Bourdieu, 2003, p1).

**CONTRIBUTION TO KNOWLEDGE AND EXISTING DEBATES**

The contribution of this research to existing knowledge rests on a number of points both at the theoretical and operational level (i.e. policy implementation). From a theoretical perspective, the study will initially present the argument of EU normative power theory (Manners: 2002) before addressing the validity of the approach against additional and alternative theoretical explanations. Hence, this research will not start from one specific theoretical approach but will rather employ an eclectic starting point which facilitates the investigative spirit of the work. The intention is to consider various possible explanations of motives in EU international behaviour by engaging with and testing the various
theoretical models against empirical evidence from the ground. The concepts of norms, normative transfer, (EU-induced) change, power, cooperation and interests will all provide the areas of interests and debate from the various theoretical perspectives. Additionally and through the concept of Europeanisation, the mechanisms of conditionality and socialisation will also be evaluated both theoretically and empirically. Despite a critical treatment of normative power theory, this study does not aim to be theoretically exclusive but rather, to enrich the understanding and explanations of the subject matter by complementing the theoretical debate with additional and often, mutually reinforcing theoretical perspectives. Therefore, this study will juxtapose various theoretical perspectives against the policy implementation processes, its cycles and the actors that characterise policy interaction.

On the policy implementation level this research will investigate the rationale and effectiveness of the ENP in Egypt vis-à-vis its stated objectives. It will identify the declared policy objectives before focusing on the implementation of these and the opinions and understanding of policy practitioners on the subject. This will entail focusing on the rationale and the objectives of the EEAP, identifying priority sectors in the latter, understanding and explaining the communication channels and structures for cooperation under the ENP and unpacking and evaluating the rationale of the instruments and tools (also defined as ‘delivery methods’) available under the ENP. Importantly, this study will argue that these tools and instrument provide the mechanisms and processes for the promotion of certain regulatory, constitutive and prescriptive norms to non-member states. It will be argued that tools such as Sector Budget Support (SBS), Twinning, TAIEX and to an extent, Project Approach, are all conducive to the promotions and adoption of certain processes which promote change at various institutional, legislative, procedural and individual levels. In this context, this study will attempt to make an original contribution to knowledge and provide a more in-depth and empirical evaluation of the policy implementation on the ground.
This study will contribute to existing debates related mainly to 1) the nature of the EU in International relations, 2) the modalities of its foreign and cooperation policy, 3) the impact and responses to the ENP by a partner country with the domestic complexities and regional weight such as Egypt. In fact, the subject of EU foreign policy has raised much scholarly debate and many questions related to the nature of the EU as an international actor, the nature and application of its foreign policy and specifically, the formulation and implementation processes. Hence, this research will attempt to address these questions by evaluating the formulation and implementation of the ENP in Egypt and, the potential of the policy for inducing domestic change and reforms. The relevance of the ENP derives from its comprehensive and all-encompassing framework and thus, by the fact that it is not just another policy but rather, the primary (and most telling) articulation of EU foreign policy in its immediate neighborhood. Focusing the research on the south Mediterranean and on Egypt, will allow us to investigate and evaluate EU foreign policy rational and behavior across a specific time-frame and in a well-defined geo-strategic region and contribute to the literature in this regard. The choice of Egypt as a case-study becomes even more relevant in the wake of the events that marked the Arab Spring and provides an interesting case of an important and equally challenging actor for the EU, one that historically has proven to be a difficult partner.

**RESEARCH METHODOLOGY AND DESIGN**

This section will outline the methodology and design developed in this study. It must be noted that the methodology has continuously evolved and changed throughout the research process. That said, the methodology of the research will predominantly rest on an interpretative approach, while maintaining a qualitative focus throughout the analysis. This section will firstly outline what are the aims of the research, its objectives and the main research questions being address. Secondly, it will clarify and justify both the ontological and
epistemological positions of the study before finally outlining the research design and the ethical considerations that have emerged.

**Aims, objectives and research questions**

The aims of the research:

a. To identify, analyse and explain the instruments and mechanisms of the ENP;
b. To evaluate whether the ENP is a policy conducive to effecting change in Egypt through the transfer of specific (EU) norms, values, principles and practices;
c. To use the case-study of the ENP in Egypt to inform and understand the nature of EU foreign policy and of EU power in international relations;

The objectives of this research are:

i) To explore alternative conceptualizations of the ENP and explanations of its rationale;
ii) To evaluate the objectives and impact of the ENP in Egypt (expectations – reality gap analysis);
iii) To evaluate the effectiveness of ENP tools in Egypt;
iv) To identify and explain the conditions and processes conducive to change/resistance in Egypt;
v) To evaluate different theoretical explanations of the ENP against the empirical evidence on the ground and, to contribute to the theoretical debate on EU behavior and power in international relations.

The two main questions of this research are:

I. *To critically examine the implementation of the ENP in Egypt*

II. *How does the above shed light on the EU's behavior as a Regional actor?*
Methodology:

As mentioned by Furlong and Marsh (2010, p.184), the theoretical and methodological approaches of any study are shaped by the research’s ontological and epistemological positions (Furlong and Marsh, 2010, p.184). Under the current conceptualization of this study the research methodology manifests some complexities. Firstly, the epistemological approach aims to identify and understand unobservable structures of knowledge (through the focus on practitioners’ experiences/relations). Additionally, the nature of the data and the position of the researcher in this study solicits a clear interpretative approach. Epistemologically, the paper has acknowledged and attempted to factor the role of the researcher and his relation with the data, the subjects and the impact on related issues of subjectivity. Attempting to address issues related to the position of the researcher has facilitated the emergence of an anthropological perspective with a strong emphasis on the writings of Bourdieu (2003, 1992) on the reflexivity of the researcher and in particular the concept of participant objectivation.

Reflexivity in the analysis has arguably influenced this research immensely. Following on from Bourdieu work, it could be argued that it is the reflexivity of the researcher’s social word and the knowledge that constitutes it, that have strongly contributed and affected the outcomes of this study. Bourdieu (2003, p.1) has emphasized the important of the researcher personal experience and history for research noting that:

“[…] idiosyncratic person experiences methodologically subjected to sociological control constitute irreplaceable analytical resources, and that mobilizing one’s social past through self-socio-analysis can and does produce epistemic as well as existential benefits”.

The author (Bourdieu, 2003, p.2) acknowledges the debates about the dual role of researcher, both as objects and subject and the difficulties that it entails. However, the argument he presents is that it is exactly this dual role, loaded
with social and historical experience, that can provide important analytical insights. According to the author, by participant objectivation is meant “[…] the objectivation of the subject of objectivation, of the analyzing subject, in short, of the researcher” (Bourdieu, 2003, p.2). In essence, participant objectification does not aim to explore the lived experiences of the researcher but rather the “effects and limits” of that experience to the analysis (ibid.). The observations provided in fact can be said to be both influenced and equally informed by the social world that provides the structure of interaction between the researcher and the subject matter.

The complexity of the methodology became particularly evident when evaluating the criteria of the research. Qualitative researchers in fact, contest and reject the criteria used by quantitative researchers when evaluating their work. For instance, instead of relying on concepts such as reliability, validity and generalizability, qualitative researchers have developed alternative criteria responsive to their specific research ideals and encompassing various dimensions of rigor, ethical integrity and artistry (Finlay, n.d., p.7). Overall and in the specific context of a naturalist ontology and interpretative epistemology, Finlay (n.d., p.14) defines the criteria for qualitative research in the following terms: a shared concern for trustworthiness and rigor, a widespread emphasis on relevance, including the impact and contribution of the research. Here, Finlay (ibid.) argues that reader responses are seen as important and artistry may be highlighted as an important criteria. For instance, a particularly well written piece of research is likely to have extra power to touch readers and to persuade.

**Research Design**

The aims of the research design are to draw insights from the application of the various International Relations paradigms to the study of EU foreign policy by providing alternative conceptualisations and explanations of the ENP. The various theoretical paradigms will consequently allow for different evaluations of the impact of the ENP, evaluations which will then be empirically tested in
the case of Egypt utilising primarily qualitative data complemented by quantitative data (triangulation). The research design will rest on a sub-case or in-case-study model (Gerring: 2000) in order to help define the analytical categories. The qualitative data which will form the main body of the analysis, will then substantiate the initial quantitative findings by specifically focusing on ideational factors, i.e. the role and opinions of EU and Egyptian practitioners with the aims to add depth and understanding to the analysis.

The research design will thus rest on an eclectic theoretical framework compromising various theoretical interpretation and explanations of the ENP. The aims of the theoretical framework are twofold: to theoretically allows us to define the ENP and explain its rationale and impact from different theoretical perspectives. The framework will outline the theoretical tools associated with each approach and point to their usefulness to the analysis. It can be argued that an eclectic theoretical framework can in fact, provide a holistic and diverse theoretical basis for testing and evaluating the empirical evidence. Importantly, it will also provide a diverse interpretation and treatment of various intellectual concepts such as: norms, normative-transfer, power, interests and cooperation. In this context, the research design will follow a deductive approach to the enquiry.

Although the research design will reflect a mixed and sequential approach, the emphasis will be predominantly on qualitative research. Quantitative data and analysis will provide a preliminary picture of the implementation of the ENP focusing on a number of indicators. Qualitative data and analysis on the other hand, will provide the main insights into ideas, opinions and perceptions of policy practitioners with regards to the implementation of the ENP in Egypt. Practitioners are seen as interacting within a specific context (ENP implementation) and therefore, the data is to be collected and analyzed taking into consideration a specific contextual reality.

The analysis, both quantitative and qualitative, will mainly rest on discourse as an analytical tool to assess actions and documents in order to understand and reflect on the interpretations and meanings that practitioners ascribe to the
implementation and achievements of the ENP in Egypt and, to what they and others, say and do in this context. Here we need to be aware that the concept of knowledge is crucial in order to understand individuals' personal experiences and interaction with the Egyptians counterparts and within the workings of the EU internally. How these interpretations and meanings are formed and why, will also constitute an important aspect of the enquiry.

The data will comprise primary data collected from interviews and personal communications, while secondary data will include official policy papers, speeches and other media sources and literature (newspapers and interviews). Quantitative data will mainly but not exclusively comprise economic data and trade figures, legislation, institutional, regulatory and procedural changes and, will be used to complement (triangulation) qualitative data collected form practitioners. The process of qualitative data collection will rely on a sampling strategy comprised of both a core and a peripheral sample groups (Davies, 2007, pp.143-4). The core sample of the primary data will consist of interviews with EU officials both in Brussels and in Cairo at the EU Delegation and with Egyptian officials at sub-ministerial level (ENP sub-committees). In this context, it is important to clarify that the policy practitioners interviewed all held high and decision-making position both within the Egyptian administration and at the EU Delegation. The core sampling group in fact includes all the members of the upper management staff at the EU Delegation as well as other officials from Head Quarters while from the Egyptian side the sampling focused on the members of the team of the EU-Egypt Association Agreement Steering Bureau at the Ministry of Foreign Affairs and other members of the EU Relations Office. Qualitative data will also include extensive insights collected by the researcher throughout his role as a member of the Commission staff at the EU Delegation in Cairo and will include reflections on privileged access to EU actors, procedures, institutional hierarchies, internal documentation, as well as personal knowledge and understanding of the implementation of the ENP. Most

3 Knowledge at both an individual and a cultural level is treated as socially constructed. This implies that all knowledge is, at least to some degree, interpretive, and hence, dependent on social context. It is also shaped by the personal perspective of the researcher as an observer and analyst.
but not all of this data is collected and recorded in a daily journal drafted during the researcher’s time at the EU Delegation. Interviews with European and Egyptian members of civil society and prominent socio-political figures will compromise the peripheral sampling group.

The process of data analysis will contribute to an in-depth understanding of personal feelings and experience of the various subjects (Davies, 2007, p.190-1), i.e. the policy practitioners. The analysis will aim to investigate the ideas, expectations and opinions of policy makers with regards to the impact of the ENP in Egypt and, attempt to understand their influence in the policy process and thus, their contribution to the evaluation of the main questions addressed by the research. The status that the researcher attaches to the data is key in identifying the most appropriate methodology (be it discourse analysis or hermeneutics for example) and analytical strategy. Moreover, the insights gained will allow the research to substantiate the findings of the quantitative data.

**ETHICAL CONSIDERATIONS**

The main ethical issues associated with this research stem from: a) the sensitive and problematic nature of some of the data and the potential implications for participants and, b) the role of the researcher both as an academic and as a policy practitioner.

It is important to clarify at this stage that the nature of the data utilised for this research comprises problematic and non-problematic data. The type of data that are considered non-problematic include a number of different documents and sources. For instance, this study has relied extensively on an array of official documentation related to the subject matter that are available in the

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4 One important aspect here is whether we want to have a ‘realist’ or a ‘narrative’ approach to the analysis. The former considers the data as a true reflection of the participants’ reality while the latter approach is more conducive to understanding the data as a narrative of reality. Here the reality is seen as ‘filtered’ through the eyes of the participant. The process of data analysis by the researcher adds another ‘filter’ to a reality already filtered, so to speak (double hermeneutics). The role of the researcher is seen as a key factor in the interaction with the respondent and thus, challenging the idea that “[...] words of the subject can be interpreted in isolation from the nature of the interaction between two people” (Davies, 2007, p.166). Having a reflexive interpretation of the interview-data consequently has to question the status that we attach to that data (Silverman, 2005, p.155).
public domain. Moreover, the study has also relied on a number of interviews which are made public by various media outlets. Finally, non-problematic data includes the interviews collected specifically for this research which form the bulk of the empirical data collected through the field work. In this context, all the main precautions were taken by the researcher to: a) secure the formal and written consent-form from each participant and b) to guarantee the anonymity of the individuals involved.

Problematic data on the other hand, includes all the data collected without prior consent of actors (here also seen as participants), data that is not made public as well as records collected by the researchers’ own reflections and experience as an employee of the European Commission. In this context it should be noted that the data collection and data analysis process has been highly influenced by an ethnographic approach and specifically, by participant observations conducted by the researcher. Ethnographic methods were not originally envisaged at the outset of the research process but gradually became an inevitable tool and perspective to be used in this study. Interaction with different actors at the place of work, including policy practitioners and decision-makers, has inevitably complemented the process of data collection, allowing us to regard actors as the creators as well executants of their own meanings. In this sense, being a constituent part of the environment and subject under study, while simultaneously experiencing an intense degree of interaction with the latter, has had a substantial impact on the subjectivity of the representation and analysis of the researcher, one that has been systematically reported.

Throughout the period of field work in fact, the researcher has maintained a journal outlining daily work tasks and reflections relevant to the main questions the study aimed to address. The journal has also contributed with evidence, albeit subjective, to a better understanding of the perceptions, opinions and meanings of key policy practitioners in the context of EU-Egyptian relations under the ENP. From an ethnographic perspective, the journal could
be conceptualised in the same sense as a field notes account for a specific period of time which was analysed and interpreted in a subsequent phase.

Field notes are a common analytical tool under ethnography although a number of ethical safeguards need to be taken into account. In this regard, it must be noted that the ‘population’ under observation was aware of the research under way although they were not informed that a continuous observation process was underway. With regards to the identity of the individuals under observation, the study does not intend to identify any individual person as such. In fact, the purpose of the journal was not to identify characteristics related to individual behaviour and/or opinions but rather, reflect on the behaviour, opinions, extent and type of interaction and general working culture of the community under observation as a whole, i.e. the members of the European Commission working in Cairo and responsible for the implementation of the ENP Action Plan and EU cooperation in general in Egypt.

The period under focus in the journal covers from September 2008 until September 2009. That said, the researcher has also been working for the European Commission in Cairo from May 2011 until August 2013. Hence, although the journal covers a specific period of time as recorded, the experience and interaction with what should be considered the subject of study is an on-going one.

Hence and in order to address the issue of safeguarding participants, the nature and the source of the data will remain unknown to the public. Although all of the participants were offered anonymity, some explicitly wanted to be quoted. It must be noted that my direct superiors were aware that as part of my work I had access to sensitive data and had trusted me with responsible use through what could be described as an unwritten agreement.

The second issue of ethical concern is the relationship between the participants and the researcher. In 2008 I spent one year working at the EU Delegation in Cairo where most of the primary and secondary data was collected. This dual position has proved to be of great advantage for the study but also poses some methodological and ethical challenges. As Finlay notes (n.d., pp. 18-19), in the
realist tradition the researcher’s task is to remain objective and provide a transparent methodological account. In contrast, a researcher adopting a relativist (interpretative) perspective would focus reflexively on how the researcher’s presence and positioning might have influenced the research process and its outcomes. In the context of this study’s ethnographic approach, the latter follows on from Bourdieu’s work on the researcher reflexivity (2003, 1992). The approach has allowed to add value and in-depth observation to a study that by definition, could not make definite claims of objectivity. As a result, resting on Bourdieu’s approach of reflexive ethnography has allowed the study to mitigate these ethical issues and on the contrary, to make them the strength of the study. The author argument is based on the criticism and limitation of claims of objective research in positivist methodology (Bourdieu and Wacquant, 1992, p.246). The personal cognitive experience of the researcher as well as the social world which constitute the former, are seen as intrinsically linked in the construction and analysis of the subject matter (ibid.). According to Bourdieu and Wacquant in fact:

“It is the double truth, objective and subjective, that constitute the whole truth of the social world” (1992, p.255).

Regarding this study, the main advantages of being inside the research have been the privileged access to relevant data, people and institutions. This position allows for access to internal documentation, to decision-makers, practitioners and, for observations and analysis of the subject under study in a relevant context and social and professional environment. The working experience alone is crucial for the understanding of internal EU processes and procedures and ENP dynamics and cycles. The personal experience of working along and living amidst policy practitioners has also proven invaluable. This closeness with the subject matter has prompted reflections over an anthropological perspective to the study. Importantly, it has allowed the researcher to benefit (in general terms) from a degree of enhanced trust from participants and thus it is hoped, from deeper personal insights. Accordingly, observations of subjects (actors), practices and attitudes, mechanism, discourse
and administrative culture amongst others can, if well planned and integrated in the paper, contribute immensely and enrich the final findings of the project.

Despite the emphasis on the reflexivity of the researcher, they study has attempted to pursue a degree of rigor and triangulation and to follow a transparent and methodological enquiry. For instance, the process of data collection with regards to interviews has rested on a standardized practice with all of the participants: i) inform the participants about the aims of the project, ii) ask for their written consent for interviews and their participation in the research through an already formulated consent form, iii) explain to participants that anonymity and confidentiality will be guaranteed and the identities of specific individuals will not be disclosed in the text of the research project. Similarly, the process of data analysis has rested on recorded data alone, including interviews and the personal journal and has followed an inductive line of enquiry. That said, the interaction with various actors and across institutions in my professional environment and the way this process might have influenced my opinion and the conclusions of this study is to be considered as an added value of this research.

CHAPTER OVERVIEW

This study is divided into six main chapters including the introduction and the conclusion. The above Introduction has presented the context and the problem the research is aiming to address: namely, evaluating the capacity of the EU to induce reforms and change in Mediterranean partner states through the ENP. Egypt here provides an interesting case-study and a difficult and complex partner for the EU. The Introduction has also outlined the contribution that this research hopes to provide both to knowledge and to broader debates regarding the nature, the tools and the capacity of the EU in external relations. Focusing on Egypt will allow us also to make inferences on actors’ behaviour in International Relations and evaluate actions-reactions under the framework of the ENP in Egypt. The Introduction has explicitly outlined the aims and
objectives of the research as well as the main sub-questions that it aims to address. Finally, the methodology has been explained and justified. In particular, the final section has been devoted to explaining the difficulties faced with regards to ethical issues due to the dual position of the researcher throughout most of the undertaking of this study.

Chapter One will investigate how the ENP is represented in the literature, including from a development and security perspective and arguing that conventional literature conceptualises the policy as an instrument for change and transformation. It will demonstrate that the ENP is often conceptualised and analysed in relation to its capacity to induce domestic change in partner states and, to the degree of influence attained. The literature review will thus explore debates related to the potential transfer of norm under the ENP and will outline how these arguments support an EU normative power thesis. In this regard, the debate surrounding the process of Europeanisation and its related mechanisms will be considered as central to this study. The concept of Europeanisation will be defined and applied to the study of the ENP in Egypt and to our purposes in this research. This chapter will also outline the debates related to the relevance of the ENP for EU external relation and foreign policy defined in broad terms, i.e. including but also going beyond foreign and security policy. Finally, this chapter will outline the Egyptian political and socio-economic environment in order to highlight the relevance of Egypt as a case-study and, to provide a contextual background for the analysis.

Chapter Two is the main theoretical chapter. The chapter aims to provide additional theoretical explanations for the ENP in the Mediterranean by broadening the scope for analysis beyond normative power arguments and provide additional explanations. In order to do so, this chapter will initially outline the international structure and the changes that have occurred since the end of the Cold War. The chapter will then explore the understanding of the concept of security in general while also focusing on both an Egyptian and EU perspective of security. The second section of the chapter will thus provide an eclectic theoretical framework in which norms and normative transfer are conceptualised from different approaches, namely: constructivism which is considered in this study as the conventional explanation of the ENP, but also
realism in its various forms, and finally liberalism. The role of norms and values and their interpretations in the context of the ENP will remain a central element of the various theoretical models.

Chapter Three will define and identify EU norms promotion in the literature and official documentation related to the ENP in Egypt. The aim is to identify what norms the EU claim to promote in the context of the ENP and though the EEAP. This chapter will briefly outline the EU Mediterranean agenda and EU-Egyptian cooperation over time in order to identify the historical areas of priority and the how they compare to the ENP. Secondly, the chapter will outline the ENP in its institutional, political and operational structure. This will entail focusing on the ENP structures and outlining the policy funding/financial instruments and mechanisms. The third section of this chapter will specifically focus on EU-Egyptian cooperation under the ENP. The section will focus on the EEAP and on the three pillars structure. The section will go on to explain who the main interlocutors in the Egyptian administration and the EU Delegation working under the ENP are and their respective functions. Importantly, this section will also explain how the various policy tools operate and how they contribute to the process on norms-transfer. The main concept here is that of delivery methods utilised by the Commission whereby allocation of funds is delivered through various processes and with specific conditions. Finally, this chapter will then focus on the operational and implementation aspects of the policy by identifying the sectors prioritised for cooperation and their financial allocation. In essence, Chapter Three aims to identify the norms promoted under the ENP in Egypt and identify policy instruments and tools conducive to norms-transfer.

Chapter Four will consist of the main analytical chapter of the study and consists of four sections. The first three sections will cover the three pillars within the EEAP and namely: Trade, Socio-economic and Political. The structure of the three sections is similar in that each section addresses the same following three questions: 1) In which area is the EU pushing for reforms/norms transfer? 2) What is the response of the government of Egypt and what is the extent of political will manifested? What evidence is available? 3) What are the limitations of EU efforts/strategy in Egypt? It must be noted
that the analysis in each pillar has only focused on the most prominent sectors/programmes or on those which absorb the largest amount of funding. Considering the very broad and all-encompassing nature of the EEAP it would have been impossible (and not very useful either) to focus on each and every action of the Action Plan within the limits of this study.
CHAPTER ONE:

THE ENP IN THE LITERATURE AND THE TRANSFER OF NORMS: A CONTEXT FOR THE STUDY

The purpose of this chapter is to emphasise the relevance of the ENP in EU external relations and foreign policy and to outline the policy's main guiding principles and mechanisms. The case study of Egypt will provide an excellent testing ground for the main theoretical and empirical questions posed by the study. The aims of this chapter are three-fold: 1) to provide an overview of the mainstream academic literature on the ENP and the dominant representations of the policy; 2) to define and understand how to study norms transfer under the ENP and the main challenges associated with the exercise; 3) to argue for the relevance of Egypt as a case study and outline the complexities and contradictions of the relationship between the EU and Egypt.

The main issues of contention here are: the relevance of norms in the ENP and the contradiction between norms and interests, which is inherent to the policy. The concept of Europeanisation will allow us to both theorise and analyse empirically the process of norms transfer, i.e. by identifying and tracing norms and the process of norms-transfer relevant to the context of the ENP in Egypt.

The focus of this research is the role and nature of the EU as a regional and international actor and, more specifically, the Union's capacity to influence its immediate neighbourhood through the transfer of norms. The case of Egypt will provide the locus of the analysis and the empirical evidence in this regards. The basic assumptions driving this research are the following: 1) the ENP is conceptualised as a policy for the transfer of certain EU norms, 2) the tools and

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5 This study will conceptualize EU external relations as related to practical cooperation frameworks. EU foreign policy on the other hand is conceptualized as comprising both cooperation and political aspects.
implementation modalities of the ENP rest on the logic of Enlargement policy and in particular, on the mechanisms of socialisation and conditionality, 3) the EU can be studied as a unitary actor in foreign policy and, 4) that Egypt provides a suitable case-study to test the process of normative transfer under the ENP due to its domestic characteristics and geo-political role.

This literature review will thus take into consideration three main perspectives with regard to the ENP: a) the nature and rationale of the ENP in general and specifically in the Mediterranean, b) the debate surrounding the relevance of norms and their promotion in international relations and, c) the debate surrounding the EU as an international player and d) the nature of EU power in international relations.

The first part of this chapter will provide an overview of conventional explanations of the ENP and will outline the rationale for the formulation of the policy. Two important themes emerge in this section: firstly, the potential contradiction between guiding principles outlined in the formulation of the policy and the process of conditionality that underpins the logic of implementation; secondly, the nature of the ENP-related discourse, be it in official documentation, speeches, public records and so on, provides a rich source of evidence for framing the formulation cycle, i.e. what the policy is, and what its purpose is intended to achieve (motivations). The second part of this chapter will focus on norms and the concept of norms-transfer, with specific reference to the implementation of the ENP in Egypt. Here the aim is to provide documentary evidence to the argument that values and norms are central to the ENP discourse and to the definitions of EU power in International Relations (IR). The concept of Europeanisation will be explained and defined as a central process in the articulation of EU external power. Importantly, the concept of Europeanisation will serve as an analytical tool facilitating the identification of priorities and, thus, the identification of hierarchical relations between the

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6 Conventional explanations in so far that authors in this review tend to rest on official ENP documentation and EU discursive priorities and conceptualisations. Formulation refers to how is the ENP understood and conceptualised, but also to what are considered to be the policy's objectives and guiding principles and, what are its perceived limitations.
relevant norms, policy priorities and policy sectors in the context of the implementation of the ENP in Egypt. Finally, this section will outline the importance of conditionality and socialisation as the mechanisms for norms transfer and, thus, theoretically and meta-theoretically relevant in the explanation of processes. The third part of this chapter will outline the political and socio-economic characteristics of the Egyptian context prior to the advent of the January 25, 2011, uprising. The section on Egypt will emphasise the complex and challenging nature of the Egyptian socio-economic and political environment, as well as the linkages between domestic and foreign domains and policies. This will allow us to contextualise and problematize the implementation of the ENP. Here the aim is to identify and understand the domestic conditions in Egypt in order to evaluate the locus and origins of areas of resistance and non-resistance to the process of norms transfer. Policy instruments can also help us understand the intended impact of the EU but we also need, however, to account for the degree of political will, institutional capacity and other domestic factors, shaping and constraining decision-making in partner countries.

THE EUROPEAN NEIGHBOURHOOD POLICY IN THE LITERATURE

The majority of authors agree that the ENP was conceptualised in response to the round of enlargement in 2004 and as an alternative to further enlargement for the newly independent states (NIS) in the East (Smith, 2005, p.757; Del Sarto & Schumacher, 2005, p.18; Johansson-Nogues, 2004, p.241; Biscop, 2005, p.5; Dannreuther, 2006, p.183, Kelley, 2005, p.32; Bogutcaia, Bosse & Schmidt-Felzmann, 2006, p.120). Evidence for this argument is to be found in the large numbers of key individuals from the Directorate General (DG) for Enlargement that initially dominated the design of the ENP, as opposed to individuals from the DG External Relations (RELEX) (Del Sarto & Schumacher, p. 27, 2005; Kelley, p.32, 2006). Both Dondini and Fantini (2006) as well as Kelley (2006) argue

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7 From a theoretical perspective, Kelley explores further the theoretical implications for institutional learning and path dependency based on her argument that ENP has adapted a number of mechanisms from enlargement (2005, p.7).
that the ENP draws heavily on integration and enlargement approaches which in turn, rested on intensified and progressive political and economic integration. Essentially, it is seen as a policy with a similar approach to Enlargement but with a weaker and more limited incentive than accession. Writing from an economic perspective, Dondini and Fantini (2006, p. 508) argue that:

“The rationale for this initiative was the realization that, while successive EU enlargements have been a powerful instrument of political and economic stabilization, the need to preserve the functioning of the EU institutions makes enlargements beyond those already foreseen unlikely for the time being.”

Moreover, Johansson-Nogues (2004, p.242) notes that, in its Eastern dimension, the ENP has been promoted quite overtly as a generous integration scheme designed to stave off new accessions in the near to medium term.

The ENP manifests various contradictory dimensions in its emphasis on deeper political and economic integration (harmonisation and approximation), while at the same time being conceived as a policy designed to delay accession from the East. What is evident is that with the 2004 round of enlargement, the EU had to rethink its foreign policy and external relations approach in its new regional environment.

According to Dondini and Fantini (2006, p.509), the ENP was also a response to fears that following the 2004 enlargement the EU would neglect relations with its Mediterranean and set up new barriers on its borders, turning itself into fortress Europe. Addressing the issue of new borders for the EU meant rethinking relations with new and old neighbors and maintaining a balance between its inclusive nature and its domestic interests, while facing new external challenges such as stability, peace and prosperity in the immediate European neighbourhood. Smith (2005, pp. 757-8) argues that since the end of the Cold War the issue of EU borders had become more relevant. The issue of EU borders in fact, is a question still open for debate and there is no doubt that what is termed ‘enlargement fatigue’ has resulted in a certain degree of ambiguity on the
issue and has presented the EU with an inclusion/exclusion dilemma\(^8\) (Smith, 2005, p.757). This ambiguity can be seen at the heart of the ENP. Del Sarto & Schumacher (2005, p.26), add that the ENP was envisaged to blur borders, almost as if driven by a buffering logic. According to the authors (ibid.), the idea here is to conceptualise the EU as fading out towards its external borders and, thus, depending on the level of integration between the EU and any single partner, to have almost specific, virtual borders with individual partner states. The inclusion/exclusion dilemma becomes even more complex in the case of the ENP in Egypt due to the lack of the prospect of accession. For Southern Mediterranean partners, the ENP could be said to blur the parameters of conventional bilateral cooperation and seem to want to set the degree and intensity of engagement with partners.

**The ENP’s guiding principles: benchmarking, differentiation and joint-ownership**

The Commission can be said to have been the architect of the ENP and has defined the objectives of deeper and greater cooperation and integration with partners as follows:

“[T]o define a set of priorities, whose fulfilment will bring them [neighbours] closer to the European Union. These priorities will be incorporated in jointly agreed Action Plans, covering a number of key areas for specific action: political dialogue and reform; trade and measures preparing partners for gradually obtaining a stake in the EU’s Internal Market; justice and home affairs; energy, transport, information society, environment and research and innovation; and social policy and people-to-people contacts” (European Commission, 2004, p.3).

Importantly, the document states:

“The privileged relationship with neighbours will build on mutual commitment to common values principally within the fields of the rule of law, good governance, the

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\(^8\) See also S. Stetter (2005), *Theorising the European Neighbourhood Policy: Debordering and Rebordering in the Mediterranean*, addresses this debate and theorises on the implications of ENP for EU regional governance.
respect for human rights, including minority rights, the promotion of good
eighbourly relations, and the principles of market economy and sustainable
development. Commitments will also be sought to certain essential aspects of the
EU’s external action, including, in particular, the fight against terrorism and the
proliferation of weapons of mass destruction, as well as abidance by international
law and efforts to achieve conflict resolution” (European Commission, 2004, p.3).

Smith (2005, p.763) summarises the policy as one that offers an extended or
deeper partnership which falls short of membership. It offers a stake in the EU’s
internal market and closer political cooperation as well as increased economic
integration, both of which are conditional to progress on set benchmarks. These
will be set in the Action Plans (AP) which, in turn, will be used to evaluate
progress. New benefits will only be offered to reflect progress made (ibid.). The
country-tailored AP are the central elements of the policy and they characterise
the ENP by two key principles: differentiation and joint ownership. Dondini and
Fantini note (2006, p.510), that the ENP has an explicit reform agenda when
compared with similar foreign relations frameworks and thus, offers the chance
to its neighbours to benefit (economically) from a closer relation with the EU
(2006, p.510). They seem to agree with Del Sarto and Schumacher (2005) when
they note that progress in the relation between the EU and its neighbours as well
as integration in certain sectors, will depend on progress towards basic EU
political values and on implementation of economic and institutional reforms
(Dondini and Fantini, 2006, p.12).

Thus, the policy offers a privileged relationship to partners conditional on the
attainment of certain benchmarks across a number of sectors. Benchmarks in
turn, are based on the abovementioned values and principles. In this context, we
can identify a clear process of prioritisation of actions associated with the
promotion of certain norms/values and, a relatively explicit process of norms-
transfer and norms-adoption by partner states. Sectors are key for understanding the process of prioritisation. However, these processes should be
seen as problematic since they are influenced and affected by a number of
variables and factors (endogenous and exogenous) at different levels: policy, institutional, and individual.
**Benchmarking**

Benchmarking should be seen to lay at the heart of the ENP processes and policy implementation methods and monitoring process. Benchmarking itself is a process which implies certain actions and reactions and which form the basic logics underpinning the policy and related cooperation agreements between the EU and third parties. It serves therefore, as a tool to measure progress on a set of bilaterally agreed objectives. To quote Del Sarto & Schumacher (2011, p.936):

“*Any benchmarking effort presupposes clear and pre-defined indicators or benchmarks, which provide quantitative and/or qualitative measurement criteria.*”

Hence, benchmarks allow the EU to set specific targets and observe progress towards them. They also set a path-way/method for the application of conditionality, be it technical and/or political. Benchmarks are normally set on international standards and conventions but under the ENP they could be seen as supporting reforms and integration, i.e., approximation towards European and EU standards, structures and regulations as outlined in the *acquis*. However, benchmarks are not always measurable. They can also imply specific actions to be taken by a partner government for instance, i.e. boxes to be ticked. We will see that in the context of the ENP, the nature of the benchmark depends on the nature of the sector it is applied to (e.g. horizontal such as governance where reforms are needed – actions, or vertical such as education where attendance and/or gender figures could be the benchmarks).

A benchmarking approach in the ENP has been perceived by Del Sarto and Schumacher (p. 23, 2005) as the intention by the EU to move from passive to active engagement in the Mediterranean. They add that the Commission 2003 Paper on the ENP is clearly and surprisingly very assertive in acknowledging the ambition of the EU to act as a normative power (Del Sarto & Schumacher, 2005, p.24). That said however, Del Sarto & Schumacher (2011, p.935) are very critical of the benchmarking approach within the ENP in the Southern Mediterranean:
“Without providing any definitions or clear criteria, the terms ‘democracy’, ‘the rule of law’ and ‘good governance’ are used interchangeably in the Action Plans, while the Action Plans are also based on an arbitrary and largely useless selection of pseudo-benchmarks. These factors not only question the scope and effectiveness of the EU’s alleged benchmarking efforts in the realm of democratization, but also raise serious doubts about the EU’s commitment to promote democracy in its neighbourhood in the first place”.

The authors add (ibid.) that benchmarking is theoretically well-suited to monitor processes of regime transformation. Yet, basing a leverage approach to democratization on benchmarks is, perhaps unsurprisingly, analytically not a particularly easy task.

Del Sarto and Schumacher (2011, p.946) go on to argue that ENP Action Plans cannot be considered examples of intelligent benchmarking as they do not comply with any of the prerequisites that such a process requires. Action Plans in fact are seen as lacking precise criteria, time-frames and a clear data collection methodology (ibid.). Although we could argue that the above conclusions can be applied to all ENP partners, the specific application of ENP benchmarks in Egypt will be further analysed in chapters three and four.

Emerson, et al, (2007, pp. 1&7) note that the EU has performed poorly in some areas and, particularly, with regards to the promotion of democratisation and human rights. Moreover, the formulation of the Action Plans and dialogue in general between partners and the EU has been seen as exclusive and with little participation of civil society or opposition forces. The authors (Emerson, et al, 2007, p.15) note that this weak performance of the ENP in the field of democracy comes at a high cost to the political credibility and reputation of the EU in the Mediterranean region. The EU’s refusal to deal with Hamas after democratic electoral success in 2006, for instance, was seen as a message of political insincerity throughout the region.
Differentiation

In 2007 President Barroso stated that differentiation was a fundamental principle of the ENP:

“When we launched the policy, we had to make it clear that the offer on the table was the same for everyone, with no discrimination. But as we get further and further away from the starting line, I expect we will see a more and more varied landscape, with as many different types of relationship developing as we have partners, but always within the common framework of the ENP. It will be clear that there is a very different relationship between the EU and each of its neighbours, reflecting how close we are to each other in implementing the common values we share, the specific nature of each partner’s economy, and the desires and aspirations you have for your relationship with the EU” (Quoted in ENP Conference, Brussels, 3 September, 2007).

The ENP Strategy Paper (2004) defines the principle of differentiation as follows:

“[P]riorities agreed with each partner will depend on its particular circumstances. These differ with respect to geographic location, the political and economic situation, relations with the European Union and with neighbouring countries, reform programmes, where applicable, needs and capacities, as well as perceived interests in the context of the ENP. Thus the Action Plans with each partner will be differentiated” (European Commission, 2004, p.8).

In the literature, the principle of differentiation is seen generally as a positive innovation. Del Sarto and Schumacher argued that (2005, p.28) differentiated and bilateral relations with Mediterranean partners would give the EU greater opportunity of exerting its power, both in economic terms and politically. Equally, differentiation would also suit Mediterranean states as they would be able to voice their individual and differentiated concerns (Del Sarto & Schumacher, 2005, p.29). This view is also sustained by Dannreuther (2006, pp. 191-3) who welcomes this approach in the Mediterranean where, he argues, the EMP has failed to deliver on local politico-economic reforms and has proved an overly ambitious policy. He adds (Dannreuther, 2006, p.193) that even if we take
the two exceptions to the rule - Morocco and Tunisia – economic progress has been matched by deteriorating local political freedoms.

Dondini and Fantini (2006, p.526) also consider the principle of differentiation to have a positive effect on trade relations with neighbouring countries. They add that even though this will mean the risk that some countries might have better access to the market and this could potentially divert trade from less equipped neighbours, differentiation presents more of an incentive for those countries to fully engage with the ENP. In fact, not all partners will engage with the same level of commitment resulting in differentiated integration-differentiated commitment to reforms (Dondini and Fantini, 2006, p.526).

Although Johansson (2004, p. 244) sees the principle of differentiation in positive terms in that it could re-ignite the dynamics of EU-Mediterranean relations, the author also notes that the bilateral nature of the ENP seems almost a step backward from Barcelona as the dependent and asymmetric relation between the EU and its Mediterranean partners still remain. Del Sarto & Schumacher also argue (2005, p.21) that ENP does not complement EMP as the Commission claims. The authors (Del Sarto & Schumacher, 2005, p.22) argue that, the principle of regionalism which was so inherent in the Barcelona Process was being replaced through the ENP and APs by differentiated bilateralism. The ENP through the APs operates on individual basis and rewards those states that are most advanced politically and economically or those who are willing to undertake serious reforms.

Emerson, Noutcheva & Popescu (2007, p.6 & 7) argue that if the principle of differentiation is to be applied effectively, then the ENP will need differentiated policy packages. They add (ibid.) that a strategy that is geared towards encouraging the willing partners should also consider the impact on reluctant partners and address the latter accordingly. In this context, the application of positive and negative conditionality become all the more relevant to the implementation of the ENP.
Joint-ownership

With regard to the principle of joint ownership, the Commission stated that:

“Joint ownership of the process, based on the awareness of shared values and common interests, is essential. The EU does not seek to impose priorities or conditions on its partners. The Action Plans depend, for their success, on the clear recognition of mutual interests in addressing a set of priority issues. There can be no question of asking partners to accept a pre-determined set of priorities” (European Commission, 2004, p.8).

For Del Sarto & Schumacher (2005, p.28), the principle of joint ownership is seen in positive terms as it allows for more intensive involvement of partners in the definitions of priorities under the AP. However, they (p.28) go on to argue that the difficulty with the principle of joint ownership will be to reconcile it with the principle of conditionality which is seemingly so pivotal to the logic and implementation of the policy. Del Sarto & Schumacher (2005, p.23) note that the EU in the Mediterranean has been very inconsistent with regard to rewards for reforms –particularly in the field of human rights- and thus, in its application of conditionality (benchmarking).

Policy limits outlined in the literature

Beyond this review of the policy guiding principles and logic, the section below will look at the limitations of the ENP objectives as represented in the literature. Del Sarto & Schumacher identify a number of policy limits related to partners’ access to the internal market. With regards to the movement of people for example, they note that there are strong institutional and member states divergence on the issues, particularly members in the south concerned about an increased influx on migrants (2005, p.31). Moreover, access to the internal market would also mean aligning legislation to the *acquis*. For most Mediterranean states this would mean an enormous task of harmonisation with massive timelines and substantial material costs (Del Sarto & Schumacher, 2005, p.34). In addition, the free movement of goods in certain sectors will certainly
deprive southern member states of their comparative advantage, for example agriculture and textile, steel, thus making negotiation for financial distribution/allocation more complicated (Del Sarto & Schumacher, 2005, p.32).

The allocation of financial resources are also seen as a problematic issue as it is difficult to reach consensus in Europe with regards to their distribution (Del Sarto & Schumacher, 2005, p.31). Obviously, new member states in the East are concerned about the allocation of development funds in favour of Mediterranean partners and initiatives at their expense (Del Sarto & Schumacher, 2005, p.31). As most Mediterranean industries are characterised by a family framework of business, it is argued that they will need substantial financial and technical resources in order to meet the ENP expectations (Del Sarto & Schumacher, 2005, p.35). One must also take into account budgetary pressure that the EU faces. The authors note that in the long term, alignment with the acquis will be associated with prescribed EU economic policies which, together with deteriorating socio-eco conditions and the budgetary constraints of most Mediterranean states, will make this mission an impossible one (Del Sarto & Schumacher, 2005, p.35).

Dondini and Fantini, (p.12, 2006) note that a number of limits are evident with regard to the objective of promoting economic reform and the ability of ENP to sustain economic convergence and legislative approximation in the neighbouring states. They conclude that, ultimately, the ENP’s fate will depend on the extent to which the incentives put forward compare to the costs of meeting the benchmarks and conditions that the EU sets (Dondini and Fantini, 2006, p.530).

Emerson, Noutcheva & Popescu, (2007, p.6) argue that ENP has strong normative implications and that the policy emphasizes a value driven logic in the EU to export democracy and influence reform in human rights. Yet, they add, the ENP manifest an element of self-interest driven primarily by the quest for security (Emerson, Noutcheva & Popescu, 2007, pp.5-6). They add (ibid.) that the ENP lacks the membership perspective which by default, changes the nature of the EU’s involvement. Without a credible and tangible incentive, the application of conditionality becomes much more difficult to practice. In fact, the pre-conditions for successful conditionality as we know them from the enlargement
context are absent in the neighbourhood. Under the framework of the ENP, the potential rewards are seen as neither sizable, nor credible, nor achievable within the foreseeable future, and the conditions on which they would be delivered are neither precise nor clearly set (Emerson, Noutcheva & Popescu, 2007, p.8).

Similarly, Smith (p.764, 2005) notes that the benefits of ENP are very vaguely summarised and are not directly linked to objectives and priorities set in the documents. Moreover, the author adds that how progress will be judged remains unclear (ibid.).

The above review has focused on the main aspects of the ENP from the rationale of its formulation to the implementation logic and guiding principles. In regard to the principles of differentiation and joint ownership, most of the authors referenced above seem to agree on the innovative aspects they could bring to the ENP. On paper at least, both these principles address some of the shortcomings identified in the framework of the Euro-Mediterranean partnership and seem to point to a more selective cooperation process based on shared interests. Much criticism has also been expressed over the capacity of the EU to promote political reforms, particularly in the fields of democratisation and human rights. A number of arguments presented above in fact, criticise the policy logic and the benchmarking mechanisms that is at the heart of the implementation process. Consequently, questions have also been raised with regards to the capacity of the EU to consistently and seriously apply positive and negative conditionality under the ENP. The application of conditionality is linked directly to the incentive on offer and under the ENP the latter seems to be substantially weak and not clearly articulated. What has been missing for the above review however, is empirical evidence for the implementation process and how the ENP actually works on the ground. It remains unclear from the literature reviewed what are the challenges for the implementation process and for the application of conditionality for instance. Importantly, what are partners’ perceptions of the policy and of principles of differentiation and joint ownership?
Security and values in the ENP: implications for EU external behaviour?

Although shared values are difficult to define, we need to broaden our understanding of the concept beyond its more conventional definition of human rights, democracy, good governance and the rule of law to include values such as security and stability. From the literature reviewed above we can observe that the concept of shared values including security and stability is implied, rather than explicitly articulated. Security and stability however, are central objectives of the ENP which can be seen to complement the objectives of economic and political integration.

Biscop (2005, p.1) for instance, defines the ENP as part of the wider security framework of the European Security Strategy (ESS) and as a policy that has implications for the role of the EU as global and regional actor. The author argues (Biscop, 2004, p.2) that in the Mediterranean in particular, the EU deems it has a specific responsibility for peace and security, and aspires to a directly leading role. Biscop (2004, p.5) believes that the ENP could succeed where EMP has failed, specifically in achieving an area of shared prosperity and values and in creating close partnerships and relations which will lead to shared responsibility for conflict prevention in the region. According to Biscop (2004, p.5), the ENP has five key objectives: 1) conflict prevention and 2) conflict management, 3) establishing closer economic and political partnerships based on shared values, prosperity and security, 4) more control over migration and organized crime, 5) protecting EU citizens abroad. The ENP is thus seen as having a stabilizing and preventive scope (ibid.).

Bremberg Heijl (2007, p.2) also focuses on EU interests and Mediterranean security and in his analysis. Bremberg Heijl argues (2007, p.7) that with regards to the Mediterranean, we need to investigate two separate security complexes: one under the title of ‘EU Regional Security Complex’ characterised by members states and supranational institutions and another, the ‘Middle Eastern Regional
Security Complex’ defined as state-centric and more susceptible to military-political conflict formation (Bremberg Heijl, 2007, p.7). In discussing and comparing European efforts through the EMP and the ENP, the author notes (Bremberg Heijl, 2007, p.10) that the constraints that were inherent to the EMP might be alleviated by the new policy framework. However, the narrow focus of the ENP suggests that the EU will not be able to develop a coherent, coordinated, and realistic policy towards the Mediterranean.

Dannreuther (2006, p.197) argues that in explaining EU external behaviour, strategic concerns are predominant over the normative agenda. In particular, he notes that the Union’s energy dependence on its neighbourhood might explain Brussels’s relative acquiescence to authoritarian regimes in North Africa (Dannreuther, 2006, p.197-8). The author notes that the ENP raises the issue of EU grand strategy as the policy reaffirms Europe’s conviction in liberal-democratic values in its external behaviour. Dannreuther (2006, p.201) adds that the EU needs to be braver in promoting its transformative agenda with security issues such as immigration, terrorism and energy. He concludes that without this conceptualisation, the ENP transformative potential, and the EU’s ambitions to be a serious global actor, will be greatly reduced (Dannreuther, 2006, p.201), thus linking EU security to values and potential implications for EU external behaviour and credibility.

From this perspective, Del Sarto & Schumacher (2005, p.27) argue that the ENP has flagged a shift in the way the EU behaves regionally. They note that enlargement has resulted in a re-evaluation of EU relations in the region and a reassessment of its capabilities. Importantly, enlargement has also changed the way the EU perceives itself regionally and internationally (Del Sarto & Schumacher, 2005, p.27). Del Sarto (p.68, 2007) argues that the EU has taken a

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9 See Buzan et al: 1998

10 Theoretically we find evidence of this in the centre-periphery approach of the ENP as opposed to the south-north and south-south approach of the EMP. This is clearly much more assertive and confident EU behaviour/policy in the regional/international arena, albeit still predominately soft, civilian and normative (Del Sarto & Schumacher, 2005, p.27).
more ambitious and assertive role in the Mediterranean with the ENP despite the challenges Brussels face in terms of its credibility as an impartial broker in the Arab-Israeli conflict.

The latter point is an important one with regards to EU credibility in the region and in Egypt in particular. It raises the need to analyse the concept of EU credibility in international relations in general and the challenges associated with the promotion of human rights and democracy under the ENP. Former Commissioner Prodi stated that the ENP’s goal was to “extend a set of principles, values and standards which define the very essence of the EU” (Quoted in Bogutcaia, Bosse & Schmidt-Felzmann, 2006, p.120). Using the term ‘extending’ here implies a degree of credibility in foreign policy in order to be able to transfer values, standards and principles to third party.

Emerson et al. (2005, p.176) note that the ENP clearly appears to be formulated along the same normative foundations and normative framework as the accession process. They add that these foundations may vary between them in intensity of pressures and incentives for compliance but that in all cases, the policy documents give first place to the objective of convergence on democratic values and the rule of law (Emerson et al., 2005, p.176). Notwithstanding the differences in intensity and pressure for compliance with EU norms, the primary objective of the ENP is achieving convergence and proximity with EU institutions and values through the processes of approximation and convergence. In terms of visualising these differences in intensity and pressure to adopt and align with EU norms and value, Emerson et al. (2007, p.176) notes that Stabilisation and Association Agreement Processes could be considered a first derivate from accession, while the ENP can be seen as second derivate, even though accession prospects are not included in the latter.

It is evident from the section above that the difficulty in undertaking the analysis in this study is the multi-dimensional nature of the ENP and, as we will see, the extent of the areas and sectors covered by the policy. As outlined above, the ENP is a policy that promotes reforms and transformation across a variety of sectors.
and through a number of instruments. The ENP objectives, in fact, cover economic development and reforms, democratisation, good governance and security amongst others. Theoretically, we could conceptualise the ENP from different perspectives, each emphasising specific assumptions and motivations in the pursuit of these objectives. For instance, the conventional explanation of the policy would focus on EU normative power thesis and argue for a degree of ethical motivations in EU external relations in its neighbourhood (Manners: 2002). This thesis would naturally overlap with liberal and institutional explanations, albeit with clear ontological differences. From a security perspective, the ENP could be evaluated from an instrumental and self-interested approach such as the pursuit of power. Therefore, in order to have a comprehensive and well-rounded and holistic picture of the dynamics that characterise the implementation of the ENP in Egypt, this study will adopt an eclectic theoretical framework. The various theoretical perspectives are needed to help us better understand EU behaviour and the implementation of the ENP in Egypt from different perspectives, but also because theoretical eclecticism will allow us to focus on assumptions and motivations in different policy-cycles and different sectors. That said, it is important to note that despite the theoretical variation, the relevance of norms and the associated process of normative transfer will be considered as a common and constant assumption. In this regard and borrowing from the school of European Studies, the concept of Europeanisation will prove to be a useful tool both theoretically and analytically.

**EUROPEANISATION**

Devoid of the membership ‘carrot’ but similar to enlargement policy, the ENP offers incentives to partners in return for demonstrating shared values, implementing domestic reforms and harmonising domestic legislation with parts of the EU *aquis* (Commission, 2003, p.4). This process is also known in the literature as Europeanisation and is based on a benchmarked approach. Traditionally, the process of Europeanisation is associated with the process of integration applied to accession countries, (Shimmelfennig and Sedelmeier, 2005, p.5-6; Featherstone, 2003, p.3). Therefore, Europeanisation implies a
degree of change or/and domestic transformation attributed to EU intervention and interaction with partner states and, thus, is considered a central theoretical and analytical tool in the context of this study.

The definitions of Europeanisation remains problematic, having taken various forms in the literature. This is even more the case when applied to EU external relations rather than internal-integration processes. Europeanisation has been defined narrowly as the adoption and implementation of EU legislation. More broadly, it has involved explanations of policy transfer and institutional learning, having been conceptualised as the up-loading by member states of norms, values and interests towards EU institutions and also as the down-loading of EU regulations and instructional structures to the domestic level (Howell, 2002, pp.2-6). Emerson (2004, p.2) defines Europeanisation as the process of political, economic and societal transformation involved in European integration. Schimmelfennig and Sedelmeier (2005, p.7) define Europeanisation as a process in which states adopt EU rules. Others, such as Börzel (2009, p.2), define the concept as the impact of the Union on politics, polity and policies of non-Member states, while Barbé et al. (2008, p.1) have simply put it as the EU’s capacity to promote change beyond its borders. The process of Europeanisation has been at the heart of enlargement policy and is bound to the role of the EU as a regional and international actor.

Wong (2006) has categorised Europeanisation under the following three schools of thought: national adaptation, national projection and identity construction (Wong, 2006, p.7). The national adaptation school argues for a process of transformation of national foreign policies as a result of EU norms and practices, ultimately manifested by the re-orientation of foreign policy by member states towards the EU (Wong, 2006, p.7). This school of Europeanisation is mainly associated with institutionalist explanations and is seen as a top-down process. It thus implies a degree of foreign policy convergence both in substance and process (Wong, 2006, p.8), considering adaptation by member states within the constraints of EU structures. The second school, national projection, conceptualises member states as the primary agents of change and as proactive
actors in the promoting process, projecting their preferences, policy ideas and models to the European Union (Wong, 2006, pp.8-9). This bottom-up approach allows us to consider the impact of certain member states on the nature and shape of EU policies such as the ENP and, allows us to identify why and how some member states can benefit from projecting their interests at the EU level. This school of Europeanisation has many similarities with inter-governmental explanations of EU integration and rests on rationalist and self-interested assumptions. Finally, the third school associated with constructivist Europeanisation theories emphasises the role of European institutions in shaping the preferences and politics of member states (Wong, 2006, p.10). This approach rests on the assumptions related to processes of socialisation of political elites through increased dialogue and interaction between member states and EU officials, bureaucratic re-organisation and institutional concentration (Wong, 2006, p.10). For the purpose of this study the first and third models will be the most relevant to the analysis in so far that they will allow us to identify and trace the promotion of specific norms by the EU and the eventual adoption by Egypt, following a top-down and institutional perspective.

For Emerson et al. (2005, p.169), the conceptualisation of the EU as a set of values, norms and institutions implies a strong presence of normative and democratic elements in the process of Europeanisation, one that is directly linked to the empowerment of European institutions and to the nature of the Union as a polity in international relations. According to Emerson (2004, p.2), Europeanisation works in three domains, with changes seen to take place through: 1) legal obligations in the political and economic domains of states willing to join the EU, as well as membership in the Council of Europe and adherence to its Convention on Human Rights and Fundamental Freedoms; 2) objective changes in economic structures and interests as a result of EU membership and 3) subjective changes in beliefs, interests, identity and expectations of individuals (Emerson, 2004, p.2). Emerson (2004) argues that Europeanisation provides the explanation for the success of enlargement policy and for the application of mechanisms favourable to the development and enhancement of economic and democratic transitions, i.e. the transformative
capacity of the EU. However, it is worth remembering that although the ENP is conceptualised as following the same policy-logic and with a similar ‘tool-box’ as enlargement, it lacks the fundamental incentive of eventual membership.

Focusing on the ENP, Börzel (2009, p.2) notes that the impact of Europeanisation—the impact of the EU on partners’ domestic structures—is differentiated. According to the author (Börzel, 2009, p.6), effective impact depends on three key factors emanating from the domestic environment: 1) the costs of adaptation, 2) the capacity and 3) the willingness of domestic actors to deal with these costs. Although the costs of adaptation constitute a challenge to all domestic actors, capacity and willingness to respond will vary (ibid.). Börzel (2009, p.7) notes that with regards to the neighbourhood countries in particular, the impact of Europeanisation will be highly dependent on the democratic quality of the regime. The less democratic and weaker a state, the higher the costs of Europeanisation and the lower the capacity and willingness of governmental and other actors to deal with them. In this context, the capacity of the state and non-state actors “[P]lays a crucial role in mitigating the transformative power of Europe” (Börzel, 2009, p.7). From this perspective, we could argue that the effective process and mechanisms of socialisation depend on the willingness of partner states to align and/or converge domestic policies with those of the EU. Hence, not only do partner states find themselves constrained in their choices in terms of capacity and costs (rational explanations) but also in terms of the degree of democracy, making the internalisation of certain values and norms crucial. Börzel (2009) explicitly points to the role of state and non-state actors in mitigating the transformative power of the EU.

Focusing on Central and Eastern Europe, Schimmelfennig and Sedelmeier (2005, pp.7-8) differentiate between the degree of rule adoption in the process of Europeanisation. They note (ibid.) that formal, behavioural and discursive conceptions of rule adoption all constitute an indication of rule-conforming behaviour. The authors introduce three explanatory models for rule adoption, each underpinned by either a rationalist or a sociological explanation. The EU-induced model (external incentives model) is characterised by an active and EU-
driven rule adoption rationale which aims to capture the dynamics of conditionality and cost-benefit calculations. A second model (social learning model) considers alternative explanations for rule adoption such as internalised identities, values and norms, emphasising the identification of non-member states with the EU (Shimmelfennig and Sedelmeier, 2005, p.9). This distinction between the two models above is one which reflects the debate between rationalists and constructivists with regards to the logics of action followed in rule adoption (Shimmelfennig and Sedelmeier, 2005, p.9). Finally, a third model (lesson-drawing model) emphasises rule adoption as a remedy to the domestic needs and policy challenges of non-EU members. This explanation differs from the first in that it is not EU-induced and does not follow a cost-benefit logic but a need-based one (Shimmelfennig and Sedelmeier, 2005, p.10).

For Barbé et al. (2008, p.8) Europeanisation refers to the adoption by neighbouring partners of 1) parts of the aquis communautaire, 2) specific and problem-oriented aspects of the aquis politique and 3) norms of a constitutive nature related to EU human rights, economic and social rights. The authors justify this narrow definition by pointing out the dangers of considering “[A]ll EU-driven transfers of rules and practices as Europeanisation” (ibid.). Barbé, et al. (2008, pp.8-9) add that the regional promotion of economic, political and social values also happens through other actors and international organisations, stressing that the use of the term Europeanisation should be confined to cases in which we can identify well-codified EU norms and practices adopted by neighbours. For the authors (Barbé et al., 2008, pp.8-9) Europeanisation is seen as a ‘one-way street’ relationship in which the EU exports the products of integration. In this sense, the role of the EU as a carrier of ideas and ideals (integration and shared experience) acts as a model or a normative template for non-EU states (Barbé, 2008, p.9).

Escribano (2006) on the other hand focuses on the ENP in the Mediterranean and conceptualises Europeanisation as ‘Europeanisation without Europe’ since the prospect of membership is not on offer. Escribano (2006) works from a political-economy perspective and analyses the viability of the policy’s offer to partners in the Mediterranean. Essentially, he poses the question of whether
access to the European Single Market is a realistic offer, considering the politico-economic environment of Mediterranean partner countries. Moreover, Escribano (2006) questions the conceptualisation of Europeanisation in the ENP states as practically a process of (economic) modernisation. The author notes (Escribano, 2006, p.15) that the ‘Europeanisation of economics’ in southern Mediterranean states is not easily attainable since the ENP has failed so far to mobilise positively domestic leaderships and societies in their demand for convergence with EU law and economic institutions. The incentives offered within the current ENP structure are seen as little more than cosmetic with regards to key sectors. The sectors of agriculture and manufacturing, for example, remain areas of great contention between the EU and Mediterranean non-member countries as concerns remain in Brussels regarding the impact of increased competition on some EU member states. Even though the various EU Association Agreements with Mediterranean partners have contained provisions to incrementally open the EU markets to competition, member states’ interests and policies such as the Common Agricultural Policy (CAP) have limited the potential beneficial impacts of preferential tariffs in sectors which MNC consider as key for their economy (Gomez and Christou, 2004, p.191; Parfitt, 1997, p.866-79; Licari, 1997, p.29).

Escribano (2006, p.15) remains skeptical of implementation of economic reforms and across-the-board liberalization, arguing that the exporting of economic institutions is not a mechanical process, but rather a context-related one that follows path-dependency.

For our purpose, the concept of Europeanisation will be conceptualised as the impact of the EU policies on a partner’s domestic, sector-specific environment. Hence, with regards to the implementation of the ENP in Egypt, Europeanisation will be seen as top-down process for domestic change and transformation by focusing on the ENP as the primary policy-instrument in the transfer of EU norms, values, practices and institutions, i.e. the independent variable. Borrowing from Börzel (2009) and Shimmelfennig and Sedelmeier (2005), the domestic environment will provide us much of the explanation for the degree of Europeanisation and the motives for its adoption or the lack of adoption.
Norms, conditionality and socialisation

Europeanisation can be conceptualised as the transfer of certain EU values, norms and ideas. Emerson et al. (2005, pp.175-6) points to the Europeanisation model as underpinned by two mechanisms for the transfer of norms: conditionality and socialisation. Theoretically, conditionality and socialisation can be respectively related to two different approaches and explanations of change: rational explanations and sociological explanations (Emerson, 2004, p.2). In the first instance and through policies of conditionality, change can be conceptualised as exogenously imposed or as a result of an influencing agency. Here, change is expected to take place in the short and/or medium term and based on rational cost-benefit calculations of the policy-recipients. Social learning or socialisation on the other hand, implies long-term changes which affect individuals’ identity and interests and, consequently, their behaviour (Emerson, 2004, p.2). In both cases, change will result from a process of transfer and one of adoption, be it as a result of cost-benefit calculations or because agents have been socialised into identifying with a specific norm. The nature of these norms becomes a key factor for understanding the mechanisms for transfer and adoption. Although both conditionality and socialisation are seen as simultaneously at work in the process of Europeanisation, their fundamental assumptions and, thus, respective explanations of EU transformative power are contested in International Relations literature, the main distinction being ontological and related to assumptions of constitutive relations in the latter and of casual explanations in the former.

Norms

Defining specific values and norms can be a complex matter but is an essential exercise for the purposes of this project. We have seen that the process of Europeanisation is conceptualised as producing changes in various domestic domains such as the political, the social and the economic but also as producing subjective changes within individuals’ interests and identities (Emerson, 2004, p.2). The conventional definition of a norm is “an accepted standard or way of behaviour” (Cambridge Dictionary). Finnemore, M. & Sikkink, K. (1998, pp.891-2) note that there are three types of norms: 1) Regulative norms, which are seen
as constraining behaviour, 2) constitutive norms, which are seen as creating new actors/interest/categories for action and finally, 3) evaluative/prescriptive norms. The first two types of norms could be related to various legislative obligations and changes, economic policies and structural reforms. The third type of norms are seen as different as it is precisely their quality of oughtness that sets them apart from other rules (Finnemore, M. & Sikkink, K., 1998, pp.891-2). Because they also involve a standard of proper/prescriptive behaviour, evaluative/prescriptive norms have to be discussed by taking into account their inter-subjective and evaluative dimensions (ibid.).

One could argue that the adoption of the first two types of norms are more easily explained through a rational-choice framework, while the third type falls under the framework of sociological constructivism. Although the latter are the most difficult to evaluate, they are central to the analysis in this study in so far as they relate to debates surrounding the nature and impact of identity in EU external behaviour. In this context and particularly with regards to the ENP, Bretherton and Vogler (2004, p.2) note that constructivism is particularly appropriate to the study of the norms and values and their impact to external behaviour since the focus is on shared understandings which, shift and are susceptible to change. This becomes essential as the Union can also be seen as a political system under construction and, hence, under constant change (Bretherton and Vogler, 2004, p.2). The authors note that the focus on identity in constructivist analyses facilitates study of the EU as an actor sui generis, thus avoiding (implicit or explicit) reference to the state as comparator when studying EU policy (Bretherton and Vogler, 2004, p.2). The authors note that the interaction between values, identities and interests are never simple or linear but that, rather than determining interest, identities perform a mediating function (Bretherton and Vogler, 2004, p. 8). They add that identity is influential in shaping EU action and offering, or circumscribing, the roles available to the Union as an actor (Bretherton and Vogler 2004, p.9). They conclude that the hybrid identity of the Union will expectedly produce inconsistencies of role and behaviour and add that:
“Through its practices, [the EU] maintains links between the exclusive and the inclusive facet of its identity—demonstrating for example, a comprehensive approach to security and using its economic power to impose conditionality in the sphere of human rights and environmental protection” (Bretherton and Vogler, 2004, p.39).

Bogutcaia, Bosse & Schimdt-Felzmann (2006, p.118) also write from a social constructivist approach, focusing on the different meanings given to European values by partners countries, specifically in the field of democratisation and human rights. The authors reject the idea of fixed European values and question the extent to which neighbouring states are in fact willing to subscribe to the Union’s set of shared values (Bogutcaia, Bosse & Schmidt-Felzmann, 2006, p.117). The authors look at discourse not as a reflexive of some external political reality but rather, as constitutive and whereby European values are formed through speech acts; these acts are talked and written into existence by their respective political elites (ibid.).

With regards to the first two types of norms, EU-Egyptian relations, for instance, are legally based on the framework of the Association Agreement (AA) which explicitly includes regulative and constitutive norms related to the establishment of a regional free trade area (FTA) based on reciprocal tariff liberalisation for both industry and agriculture. Importantly, Art. 2 (AA) also includes prescriptive norms by stating that:

“Relations between the Parties, as well as all the provisions of the Agreement itself, shall be based on respect of democratic principles and fundamental human rights as set out in the Universal Declaration on Human Rights, which guides their internal and international policy and constitutes an essential element of this Agreement” (EU-Egypt Association Agreement, 2004, p.5).

**Conditionality**

Conditionality is a central concept for the identification and analysis of normative transfer. The concept rests primarily on rational, cost-benefit calculations and explanations of norms adoptions. Even though conditionality
has been traditionally associated with aid assistance, since the end of the Cold War it has taken a more politico-normative dimension. Stokke (1995, p.2) notes that conditionality is not an objective _per se_ but rather an instrument used by donors to achieve certain foreign policy objectives. First generation conditionality refers to the promotion of economic reforms and initiatives by international financial institutions (IFIs) aimed at structural adjustment and market liberalisation, also referred to as technical conditionality. Second generation conditionality on the other hand, refers to the promotion of political reforms and generally to policies aimed at promoting democratisation, good governance and the respect of human rights (Stokke, 1995, p.1). There are various levels of intervention through conditionality which range from high to low politics, i.e. they include both technical and political conditionality (Stokke, 1995, pp.14-5).

We could argue that the implementation of the EU agenda in the Mediterranean and particularly with regards to Egypt is mainly based on the exercise of conditionality and correlates with the objectives of the AP and the ENP in general. In fact, according to the EU-Egypt Action Plan:

"The level of ambition of the EU-Egypt relationship, [...] will depend on the degree of commitment to common values as well as the implementation of jointly agreed priorities to mutual benefits" (European Commission, 2007b, p.2).

Under the title shared values the Commission specifically included: democracy, the respect of human rights and the rule of law, as set out within the EU in the Charter of Fundamental Rights (2003, p. 4). As we have seen, the ENP offers incentives such as a stake in the EU's internal market and closer economic and political cooperation, conditional to progress on set benchmarks.

The implementation of the EEAP, moreover, envisages the exercise of both first and second generation conditionality across sectors and levels. Smith (1997, p.4) notes that political conditionality entails the linking by a state (or by international institutions) of perceived benefits to the fulfilment of conditions relating to the protection of human rights and the advancement of democratic principles. Smith (1997, p.4) distinguished between positive and negative
conditionality as the reward for progress achieved in the former and the suspension and/or termination of benefits for lack of progress in the latter. Thus, within the framework of the ENP the EU exercises positive conditionality following a benchmarking logic where benefits are not suspended or terminated in case of no progress. On the contrary, the policy is designed in order to reward individual progress by partner states and progressively increase incentives hand in hand with domestic reforms achieved.

Rationalist approaches to norm adoption are concerned with cost-benefit calculations that will eventually inform the adoption (or not) of a norm. From a rationalist perspective norms are seen as constraining the behaviour of actors and influencing their potential incentives (Finnemore and Sikkink, 1998, pp. 909-912; Checkel, 1997, p.473). Schimmelfennig et al. (2006, pp.2-6) have defined international socialisation as a process in which states are induced to adopt rules of an international community. The notion of rule adoption is conceptualised here as the ability of the state and its institutions to impose domestic compliance with norms (Schimmelfennig et al., 2006, p.2). State behaviour is seen as constrained by international value-based norms of state legitimacy and proper state conduct. Rational-selfish state actors are seen to conform in order to reap the benefits of international legitimacy and, as instrumental actors, they are also seen as calculating the domestic disadvantages of conformity in an attempt to minimise them. Hence, according to the author (Shimmelfennig, 2000, p.9), international socialisation can be explained without having to assume the identification of actors with an international society (sociological constructivism) or the individual internalisation of norms, but rather through a rational cost-benefit calculation of norms adoption. Conditionality is central to this approach, since material and political incentives, as well as domestic costs, become the most important conditions for the effective impact of socialising agency (in the field of democracy for example) (Schimmelfennig, et al., 2006, p.6).

It is important at this stage to take into account the structural underpinnings of EU-Egyptian relations when addressing debates on conditionality and adoption of norms. There is little doubt that EU-Egyptian relations are characterised by a
degree of asymmetry and dependency. Economically, Egypt relies heavily on its trade relations with the EU due to the size and importance of the latter as an economic bloc, as well as to its geographical proximity. Since the adoption of the Association Agreement in 2004 trade flows between the EU-Egypt have doubled to reach €20 billion in 2008. Today the EU is the primary trading partner of Egypt, accounting for 34% of all Egyptian trade (EC Delegation, Cairo). Politically, this asymmetry and dependency is less explicit, but present nevertheless. However, the capacity (and the willingness) of the EU to exercise political conditionality in the case of Egypt is much less obvious. Although Art.2 (AA) is very explicit on the nature of EU relations with third parties, it must be noted that it has never been invoked in the past.

Exercising political conditionality poses a number of problems. Emerson et al. (2007, pp.20-1) note that without credible or clear incentives, applying political conditionality becomes increasingly difficult. High costs of adaptation and low incentives can combine to make the proposed alignment of policy, polity and politics (Börzel: 2009) too costly to sustain for both neighbouring states and societies (Emerson et al., 2007, p.6). Applying political conditionality also raises issues of legitimacy, since the process could be interpreted as interference with domestic affairs and as a challenge to state sovereignty (Smith, 1997, pp.4-5; Stokke, 1995, pp.34-6). Therefore, the objectives of conditionality may vary according to the levels of operation. The degree of donor’s legitimacy and credibility is also central to effective conditionality as some objectives related to the development agenda, for example, might be or be seen as being more legitimate than those seemingly reflecting or relating to the donor’s interests and values (Stokke, 1995, p.15; Emerson et al., 2007, p.20). Thus, thinking of conditionality in terms of a process for the adoption of certain norms requires that the distinction between the type of norms in question (regulatory, constitutive and prescriptive norms) be clarified (Finnemore and Sikkink, 1998, pp.891-2).

Following Shimmelfennig’s (2000, 2005, 2006) conceptualisation of norm- and rule-adoption, the formulation and implementation of new legislation--as well as the creation of new institutions can be used as indicators in this regard. In fact,
the Commission’s annual report on the implementation of the ENP relies precisely on new legislation and legislative reforms, along with the establishment of new institutions as indicators (see Guidelines on the ENP Report). In this context, the Action Plan (AP) with Egypt could be conceptualised as a long to-do list which includes the formulation of new legislation and reforms, as well as the formation of new institutions in various areas, from the economic to the political and the social. Let us not forget that the EEAP has 160 priorities for action’ which cannot all be addressed simultaneously and, thus, should be considered in the process of evaluation. As stated by an EU official:

“The EEAP is a large shopping list with around 160 priorities, which is the same as having no priorities at all [...] common practice is to choose and to focus only on 2 priorities in the NIP” (Personal communication, N.14, 2009).

Implementing the priorities outlined in the document results in both benefits and costs for a country like Egypt. In the economic domain, for example, the Egyptian government’s monetary and fiscal policy is encouraged to reflect neoliberal norms and practices such as improving macroeconomic stability and reducing its public deficit figures (European Commission, 2007b, pp.21-2). This has resulted in governmental measures to reduce fuel and food subsidies in 2008, which, according to the Commission’s Annual Report on the implementation of the AP, is seen as a positive development (2008, p.10). Domestically, however, these fiscal measures resulted in the abolition of subsidised bakeries and, for the poorest sections of society, it meant unexpected bread shortages sparking the so-called ‘bread riots’ in 2008 in the vast majority of Egyptian cities (El-Sayed, 2008). This example is very useful in identifying a number of issues related to the domestic costs of norm adoption. Firstly, although a norm might be adopted by the political elite, it might still find strong resistance from the wider population and within the wider political system. Secondly, the political costs related to the bread riots in Egypt are not simply domestic. Although the legitimacy and the democratic nature of the government were questioned domestically, thus giving a strong platform for political opposition, such actions have also potential implications beyond domestic stability that concern Egypt’s regional and international role and reputation.
Finally, costs that might arise from the adoption of specific norms within the economic domain easily spill over into the political arena with unpredictable consequences.

**Socialisation**

From a sociological perspective, the process of norms transfer and adoption is defined as:

“The process by which principled ideas held by individuals become norms in the sense of collective understandings about appropriate behaviour which then leads to changes in identities, interests and behaviour” (Risse and Sikkink, 1999, p.11).

Socialisation or social learning refers to the process whereby agents’ preferences and interests change through interaction with other agents (Checkel, 2001, p.220), not by enforcement through incentives. The process of socialisation is mainly concerned with the effect of prescriptive norms on the formation of preference within actors. Of interest from this perspective is the notion of oughtness associated with norms and the effects that norms have on shaping identities and consequently behaviour11 (Checkel, 1997, 1999; Finnemore and Sikkink: 1998, Risse and Sikkink, 1999). Key factors at the heart of the process of socialisation are language and communication, particularly insofar as these are used as the mechanisms of persuasion and argumentation.12 Checkel (2001, p.221) notes that argumentative persuasion is a social process of interaction that involves changing attitudes and preferences in the absence of coercion: the process of convincing someone - i.e. changing their ideas, beliefs and preferences - based on principled and argumentative persuasion. With regards to Europeanisation, Checkel notes (2001, p.225) that is the quality of the contact with institutions such as the Commission which renders socialisation possible and not merely the quantity of such contact. Finnemore, M. & Sikkink, K., 1998,

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11 This explanation follows the sequencing ‘spiral model’ for norms diffusion advocated by Risse and Sikkink (1998, pp.4-9).

12 The former can also take the form of manipulative persuasion as opposed to argumentative persuasion and is clearly devoid of socialisation and has been used by ration-choice scholars under the umbrella of strategic socialisation (Checkel, 2001, p.221).
pp.891-2) argue that norms can be identified only indirectly as we can recognise norm-breaking behaviour and norm-conforming behaviour. The element of oughtness in norms however, helps us identify justifications for actions/behaviour and leaves a trail of communication amongst actors that we can study (Finnemore, M. & Sikkink, K., 1998, p.892). The authors add that as we endeavour to study the impact/effect of norms on state behaviour, we must operationalise a norm as distinct from the behaviour/actions (state and non-state) that is desired to explain. In order to evaluate/examine by how many actors and, in which conditions norms are accepted, we need to analyse the agreement process of actors in the life cycle of norms. The authors argue that we can identify a tipping point beyond which norms are more easily agreed and accepted (Finnemore, M. & Sikkink, K., 1998, p.892). Similarly to Finemore and Sikkink (1998) Mauersberger (2006, p.2) adopts a spiral model for the study of the promotion of human rights in Egypt by focusing on the EMP. The ENP’s institutional structure, with its various joint committees and the intensified and systematic interaction between partners, seems to be ideal for the promoting the process of socialisation. Kelly (2006, p.44), in fact, argues that socialisation is a main feature of the ENP, as it was in other contexts for enlargement, adding that the emphasis in the ENP is heavily on soft-diplomacy and on contacts at multiple levels. Hence, the promotion of certain EU norms, values and practices within the ENP could also be seen as linked to or a derivate of an institutional learning process and institutional path dependency. In this context, the sub-committees could be conceptualised as issue-specific forums aimed at increasing the quality of dialogue and communication between policy experts and officials from both the EU and partner states. The quality of this interaction could be evaluated in terms of the depth of issues covered by the sub-committees. Moreover, the incremental inclusion of issues such as democracy and human rights within the framework of the political sub-committee within the framework of EU relations is evidence that a degree of argumentative persuasion has already produced results. For Egypt, for example, the political sub-committee marks a new level of openness in its dialogue with the EU as discussion over the above-mentioned issues is considered acceptable and no
longer deemed as interference in domestic affairs. However, the degree to which these specific norms are imbedded in society or internalised by Egyptian elites remains to be evaluated.

The Europeanisation of values and identity in EU external behaviour: An argument for normative power Europe?

Much has been written on the developing nature of the EU in international politics and on its approach to external relations. What seems to emerge is the understanding that the EU is a distinct polity in world politics characterised (arguably), by a normative agency. This conceptualisation of the EU implies a benign, ethical and normative actor. Explanations have ranged from definitions of a post-modern entity and polity (Cooper:1996), to arguments in favour of a shift in the nature and exercise of power in international relations, pointing to the soft and persuasive nature of the EU (Nye: 1997, 2004; Keohane and Nye:1989). More recently, Manners (2002) elaborated on the concept of normative power Europe arguing for a constitutive, distinct and value-laden approach that seems to characterise EU behaviour internationally (Manners and Lucarelli: 2006). From a similar theoretical position others have since addressed the normative power paradigm and evaluated the notions of EU ‘actoriness’ and of EU region-building or region-construction (Diez and Pace: 2007; Bretherton and Vogler:2006; Adler and Crawford: 2004). The notion of normative power Europe has also contributed to fuel the debate on the role of international institutions in the promotion of international norms and practices, the EU being the primary example (Finnemore and Sikkink:1998; Risse, Ropp and Sikkink: 1999). From this perspective, the EU is seen as able set the criteria for would-be members of its selective club, e.g. democratic states with a good record in human rights (Risse, Ropp and Sikkink: 1999). Moreover, the study of the process of Europeanisation has given weight to the arguments in favor of the EU’s capacity to change would-be members in terms of their political and legislative systems and, in turn, sparked debates regarding the development of European normative power (Noutcheva:2008; Pace:2007; Emerson, Noutcheva and Popescu:2007; Manners and Lucarelli:2006; Bicchi:2006; Bretherton and Vogler:2004; Manners:2002;).
The ENP, being a policy formulated and implemented on the same logic of enlargement, is central to the above debate. As Noutcheva (2008, p.3) notes: “The design and implementation of the enlargement policy by EU institutions can be viewed as an expression of the Union’s own identity”. As Emerson, Noutcheva and Popescu (2007, p.7) note, the ENP includes in its rationale and objectives both normative aspects, such as the apparent pre-conditions set to partners to demonstrate the acceptance of shared values in the politico-economic sphere and self-interest/strategic aspects such as the creation of a stable zone and a ring of friends. Hence, in terms of the benefits offered to partners, the ENP was not simply conceived to export some of the material benefits of the Union but also to export a set of democratic values and norms as well as institutional practices of governance.13 This implies a policy rationale which in essence conceptualizes EU interests as directly linked to its identity, one defined by very specific normative characteristics in international relations. Thus, the process of Europeanisation can be seen at the core of EU external policies and bound up with the role of the EU as a regional and international normative actor.

THE CONTEXT AND RELEVANCE OF EGYPT AS A CASE-STUDY

The choice of Egypt as a case-study was dictated by the country’s relevance to the EU both in theoretical and in geo-political terms. More importantly for this study, Egypt represents for the EU a complex and difficult example of bilateral relations under the framework of the ENP due to its domestic and regional role and history. Egypt has held a leading role in the region due to its size and influence, particularly in modern times where Cairo was seen as the centre of and inspiration for Arab nationalism under the leadership of Nasser (1954-1970). The Nasserist-era not only shook regional power dynamics at the time,

13 With regards to values underlining the process of Europeanisation, Emerson (2004, p.2) notes that although a definition remains “personalised”, a ‘list’ of ten values can be identified as European. These include: 1) democracy and human rights, 2) a common legal basis for the four freedoms, 3) social model, 4) multi-nationality and rejection of nationalism, 5) secular multi-culturalism, 6) multi-tier governance, 7) multilateralism, 8) anti-hegemony and anti-militarism, 9) openness and 10) gradual and evolutionary frontiers for the EU (2004, p.3). See also Manners’ (2002, p.252) definition of EU constitutive values.
but could also be seen as having shaped Egyptian political culture at the time as well as the nature of the Egyptian state and state institutions to this date. From a theoretical perspective, then, Egypt provides a crucial testing ground for the EU normative power thesis. The centralised nature of the state, the power of particular institutions within it and the nature of the economy make Egypt an interesting case-study when evaluating the transformative power of the EU (ENP) as understood in this study, at policy, polity and politics levels.

EU-Egyptian relations need to be evaluated in the context of domestic variables as well as regional dynamics. Egypt plays an important geo-political regional role in both African affairs and in Middle Eastern politics, while for the EU Egypt is also seen as a Mediterranean country.

**Overview of Egypt’s environment**

Egypt is the most populous country of the Middle East and North Africa (MENA) region and is traditionally considered the cultural and political centre of the Arab world. The modern Egyptian regime was originally established following a military coup in 1952 under the leadership of Gamal Abdel Nasser. The impact of Nasser’s nationalism and anti-imperialist discourse at the time engulfed most of the Middle East and parts of the Arab peninsula and, projected Egypt as the undisputed Arab regional leader. As Rogan (2009, p.289) notes: “No Arab leader has exercised such influence on the Arab stage before or since, and few would match Nasser’s impact on world affairs”. Nasser’s nationalism together with the historical place held by Egyptian civilisation has left a legacy within the current Egyptian political culture. Egyptian political elites have consistently displayed a rhetoric and behaviour reinforcing Cairo’s central role in both Middle Eastern and African politics according to their national role conception. It could be argued that Egypt has historically perceived itself the leader of the Arab moderate bloc and attempted to hold sole ownership in the process of mediating the Palestinian-Israeli issue.

From 1979 up until the fall of the Mubarak regime, this has resulted in a foreign policy orientation which maintained a moderate line towards Israel and a pro-US and pro-Western stance while at the same time supporting Arab solidarity and
Arab regional identity (Dessouki, 2008, p.181). Mubarak’s foreign policy orientation was non-confrontational at the regional level and specifically focused on domestic national needs such as economic development and modernisation albeit, consistently aware of the implications of reforms for national security in the country (Dessouki, 2008, p.181). Policy orientation towards the EU has increasingly been primarily seen in terms of economic modernisation and integration in the global market, with less emphasis on political issues (Bayoumi:2007). In this context, US military and political support has been a crucial element for maintaining the political status quo within Egyptian politics.

The legacy of Nasser’s nationalisation and centralised economy are seen to have contributed negatively to the pace of socio-economic development. It was President Sadat, in fact, who in the mid-1970s embarked on a slow process of policy-reversal through opening (infitah) in terms of public policy and international political economy. The Egyptian economy could be described as having developed over the years from a planned economy to one based on aspects of a rentier economy, its main GDP entries being from the Suez Canal, tourism and remittances from foreign workers. Under Mubarak, the economy transitioned into a semi-capitalist system characterised by clientelism and the blurring of lines between political and business elites (Soliman, 2011). Soliman argues (ibid.) that one of the motives for opening to the private sector in this way was the budgetary deficit since so many state resources under Mubarak were directed at maintaining the regime in power and at ensuring the survival of the Nasser state system from Islamist political challenges. Importantly, the advent of Nasser has made the military and security establishments two of the most powerful institutions in the Egyptian system. To this day the military controls a hefty portion of the Egyptian economy, remaining unchecked and fully independent of any scrutiny (Abul-Madg, 2013, p.2). The security establishment, on the other hand, has systematically played a crucial role in preventing political competition and, moreover, has been the main instrument for repression and control of Islamist political forces.

Culturally, the country is the home of al-Azhar university, which is considered the hub of Sunni Islam and is the birthplace of influential figures such as Hassan
el-Banna and Sayyed Qutb, considered the founding fathers of political Islam (Kepel, 2002, pp.81-8). Importantly, the influence of Islamist opposition has been a constant variable in the domestic political scene, one that has been consistently dealt with by the authorities through systematic repression. As a result, the regime in Egypt has adopted an authoritarian style of ruling characterised by the lack of rotation of power and of shortcomings in the areas of democratisation, human rights and fundamental rights such as freedom of expression, organisation and to an extent, freedom of worship.

In essence--and when looking at the potential for norms transfer and norms- adoption--we need to look at the conditions present in Egypt which would facilitate and/or obstruct those processes. Importantly, the limitations of the space for norms transfer have also to be seen in the context of the link between domestic and regional dynamics. Two important points in this regard will be explored further below: the socio-economic challenge (demographic dimension) and the role of the military. Both can be seen as affecting the norms-promotion and adoption at a number of levels such as individual, socio-economic and political.

**Domestic political environment: the regime, the military and the businessmen**

The regime in Egypt under Hosni Mubarak (1981-2011) can be defined simply as authoritarian (Kienle: 2000; Soliman: 2011). The term authoritarian applies because of the systematic tampering with elections by state organs, mainly the security apparatus, the extension of the state of emergency, the limits on freedom of expression and association and the systematic detention of bloggers and journalists and generally, the lack of any accountability by state organs to elected representative, but rather to the president who enjoys absolute power (Soliman, pp.25-26, 2011). Soliman (pp.25-30, 2011) defines authoritarian regimes as able to monopolise power both through repression and the security apparatus and through a clientelist system that controls and distribute most resources. As stated by Soliman (p.26, 2011): “The Egyptian authoritarian regime is based on violent instruments on the one hand and on soft mechanisms
on the other in its manipulation of power”. Authoritarianism is in fact, a constant variable from the 1952 revolution under Nasser, through Sadat and Mubarak. Although changes occurred with each president, the fundamental authoritarian nature of the regime in power remained unchanged (ibid.). The clientelist nature of the Egyptian state also stems from the time of Nasser whereby resources were distributed to obtain political stability and establish a barter between social rights such as labour and health and the right of the state to provide them (ibid., p.27). Under Mubarak, we could argue that the same clientelist logic persisted but the barterer had changed from dealing with societal rights as expected under a pseudo-socialist regime, to dealing with a different clientele, the military, the security apparatus and the new capitalists.

The arrival of Mubarak to the Presidency in the early 1980s coincided with the rise in influence of the Egyptian military (Abul-Magd, p.1, 2013). The secrecy surrounding anything to do with the military in Egypt makes it difficult to quantify this influence but a few hypothesis have been advanced. Following the Peace Treaty signed by Sadat with Israel in 1979, it has been argued that Mubarak needed to secure the loyalty of a disgruntled military and that he did so by increasing the military budget exponentially (Soliman, pp.61-2). Moreover, in the decade that followed, the armed forces began investing heavily in certain civilian and commercial sectors, thus gaining financial independence from an increasingly precarious national budget and establishing themselves as key economic players (ibid.). Despite the lack of hard statistics on the nature of the economic activities of the armed forces, the main sectors of commercial activities included the food and retail sectors, manufactured goods and electrical appliances (Soliman, p.63, 2011). Moreover, in the same period the Ministry of Defence established its economic arm called the National Service Product Organisation (NSPO) which contributed to public infrastructure works (Abul-Magd, p.1, 2013). Importantly, throughout the Mubarak regime, numerous members of the military elite were gradually appointed to key institutional positions within the state and/or state-run enterprises (Alexander, p.548, 2011). By 2011 in fact, 18 out of the 27 provincial governors were retired military generals (Abul-Magd, p.2, 2013).
In the 1990s, as the phenomenon of militant Islam was on the rise, the security apparatus in Egypt in the form of the Ministry of Interior became one of the state organs with the largest budgetary allocation (Soliman, p.63, 2011). Militant Islam has always been seen as a threat to the secular military regime ruling the country as well as being a threat to the economic security of the tourism sector. Hence, with large budgetary allocations and almost half-million conscripts serving within the security forces as their obligatory military service (thus cheap labour), the Ministry of Interior under Mubarak became one of the most powerful and feared institutions in Egypt, answering only and directly to the President (ibid.). Political Islam in Egypt has held a historical place in the domestic political scenario and has been systematically repressed since 1952. This practice has clearly left the government vulnerable to questions by the international community, including the EU, related to the legitimacy of the electoral process and democracy, the degree of independence of the judiciary, practices of torture and the respect for human rights in general (Commission, 2007, pp. 8-9).

Human Rights Watch in its 2009 Report on Egypt summarised the situation as follows:

“Egypt continues to suppress political dissent in 2009 [...] Authorities harassed rights activists, and detained journalists, bloggers, and members of the Muslim Brotherhood [...] Authorities used lethal force against migrants and refugees attempting to cross into Israel, and forcibly returned asylum seekers and refugees to countries where they could face torture” (2009, para.1-2).

From an EU perspective, the Annual Progress Report 2009 on the implementation of the Action Plan stated that:

“Concerns remain on the pace of the implementation of reforms in the field of democratisation and human rights, although the Government seems increasingly convinced of the need to tackle governance issues as part of its domestic reform agenda” (European Commission, 2010, p.2).

It could be safely argued that under the Mubarak regime the security and stability of the country (and of the regime) were seen as being constantly under
threat and potentially further compromised by political reforms and the process of political liberalisation. According to an Egyptian official, implementation of political reforms as outlined in the EEAP might not happen at all if the conditions to do so were not ripe (Personal Communication, 2009, N.20). The security-stability argument has in fact been consistently sustained by the Mubarak administration in order to justify its repressive domestic policies and lack of democratic reforms over time (Hamzawi and Dunne, 2010). It could be argued that the EU, along with the broader international community, has been receptive to this security-based rhetoric that was adopted by the Mubarak regime and that it seems to have had little leverage and/or little political will to change the situation.

The third crucial feature of the Egyptian domestic system is the presence of a particular class of business men blurred between capitalist and political elite. The National Democratic Party (NDP) was for the Mubarak regime what the Socialist Union Party was for Nasser: “[A] centralised dominant party run from the top and whose key figures are appointed not elected” (Soliman, p.148, 2011). Mubarak was the party Chairman while Safwat El Sharif (ex intelligence) remained Secretary General until the uprising of 2011 (Soliman, p.148, 2011). Gamal Mubarak, the son of the president, was the head of the Party Policy Committee, a strong body that steered national policy along a neo-liberal economic path with a strong determination to integrate Egypt into the global economy (Soliman, p.149, 2011). As Soliman notes (ibid.), free-market ideology dominated the mentality of the Egyptian elites of the Mubarak regime so with the support of Gamal Mubarak, the capitalist class in Egypt was able to slowly gain a piece of the pie and become the ruling class. With time, this capitalist class became part of the government establishment, which was transformed into an alliance between the military, the security apparatus and the businessmen (Soliman, p.168, 2011).

**Socio-economic situation**

The socio-economic context of Egypt can be traced to the foundations laid by the Nasserite state which resulted in the emergence of an economic system
characterised by a large public sector, an extensive network of subsidies and a vast bureaucracy (Rutherford, 2008, p.197). Slow and timid attempts to reform the system were initiated by President Sadat’s policy of infitah, but it was only by the early and mid-nineties that Egypt agreed to embark on the IMF’s Structural Adjustment Policies (SAPs) (ibid., p.199). However, the real turning point came with the ‘new thinking’ within the National Democratic Party (NDP) attributed to the dynamism of the President’s son Gamal Mubarak. The appointment of Gamal Mubarak to the party’s General Secretariat in 2000 was both the beginning of a political path marked by aggressive liberalisation and neo-liberal reforms and also the culmination of a long period of lobbying by a number of influential figures in the private sectors. Many of these same figures would soon themselves become key political actors in the NDP, signalling the emergence of a new political-business elite in Egypt which implemented their goals by shaping the path of Egypt’s economic reforms (ibid, pp.218-224). Ultimately however, it was exactly the policies and corruption of new business-oriented NDP guard that proved the catalyst for the 2011 uprising.

Egypt is the most populous country in the region with an estimated 80 million people of which one-fourth are young men and women between the ages of 18 and 29 (UNDP, 2010, p.vii). Historically poor socio-economic conditions and the large gap in terms of earnings and job opportunities have also contributed to resentment, particularly amongst the young and disillusioned. Such resentment increased the popularity of the most radical Islamic political organisations (Pfeifer, 1999, p.27; Parfitt, 1997, pp.869-70). Between 2002-2008 social and poverty indicators such as life expectancy, infant mortality and access to improved water sources improved at a faster rate than the regional average. However, the very low rates of literacy (66% of the population in Egypt against 73% for the MENA region) is indicative of the scale of the problem faced by the government (World Bank, 2008). Another negative indicator for Egypt is the high percentage of the population living below the upper poverty line which over the periods between 1990-2002 was at an estimated 44% (Commission, 2007a, p.11), although it has since improved to an average of 18% of total population for the period 2000-2007 (UNDP:2010). Unemployment also remains a major
problem, with a rate of 10% in 2007 (European Commission, 2007a, p.11). Although, according to the UN, the efforts of the Egyptian government to reduce poverty have been successful in reaching its Millennium Development Goals (MDG), the impact of the financial and economic crisis of 2008 resulted in a renewed upward poverty trend, thus confirming that poverty in Egypt is linked to economic performance (UNDP, 2010, p.25).

The Egyptian economy has manifested an incremental rise in the GDP percentage in particular since the advent of the reform-oriented government of PM Ahmed Nazif which resulted in an increase of GDP from 4.1% in 2004 to 7.8% in 2008 (IMF: 2010). The increased growth is seen as the result of domestic measures taken by the government such as reductions in tariffs, new trade facilitation measures and an overhaul of the custom administration. Importantly, the tax reforms introduced by the Nazif government in 2005 included cuts in corporate tax by 50% together with efforts to modernise the country’s tax administration (Ministry of Finance-Egypt, 2010, p.11). The main sources of GDP in Egypt are: tourism, the Suez Canal entries, remittances from the Egyptian Diaspora in the Gulf and energy exports. In this context and since the 1990s, attracting foreign direct investment (FDI) has been the main macro-economic strategy for the Egyptian administration (Personal communication, Egyptian official, Cairo, 2009, July 22). In 2008, the global financial and economic crisis resulted in overall negative economic trends whereby FDI fell in Egypt by 40%, exports by 14% and remittances by 9% (Achi, 2010, para. 4). Nevertheless, the economy manifested a degree of resilience as growth remained comparatively robust, registering a drop from an average of 6.5-7% to 4.6% in 2009, counterbalancing the effects on the unemployment rates which according to official figure were at 9.4% in 2009 (UNDP, 2010, p.28). The ability to maintain a respectable percentage of growth despite the crisis is seen by some as the result of the fiscal package introduced by government (equivalent to 3% of GDP) and by the decision of the Central Bank of Egypt (CBE) to cut lending rates six-fold (Achi, 2010, para.4). In 2010, indicators remained relatively positive with an estimated growth rate of 5.2% (IMF: 2010). However, and within the context of the financial and economic crisis, government spending remained high, mainly due a number
of large subsidised sectors including energy, contributing to a budget deficit of 8% and a total debt expected to reach 75% of GDP in 2010 (Achi, 2010, para. 10). The energy sector remains an important strategic asset for Egypt. Traditionally, Egypt has benefited from the export of crude oil and oil products amounting to 8% of GDP in 2003 and, 20% of GDP and 40% of total exports in 2005 (Selim, 2006, p.1). In 2009 crude oil and oil products constituted 55.2% of total exports (Ministry of Finance-Egypt, 2010, p.37). The natural gas sector is the fastest growing in the Egyptian economy and it is understood that it could gradually replace declining oil-based exports (Selim, 2006, p.2). Having said that, the energy sector is characterised by a negative imbalance between production and demand due to high domestic needs and the heavy subsidies which have resulted in Egypt recently increasing imports of LPG, gasoil and gasoline (Ministry of Finance-Egypt, 2010, p.47).

In the context of the modernisation and development of the Egyptian economy, the EU could be said to play an important role by being the major trading partner. In fact, the EU is the largest export market for Egypt, absorbing 33% of total exports (European Commission:2010). Trade between the EU and Egypt in 2008 accounted for €20.66 billion but saw a decrease due to the global financial crisis in 2009 to €18.6 billion. Trade in services in 2009 was at €9.8 billion while FDI from the EU amounted to €20.2 billion, almost a 40% increase on 2007. (European Commission: 2010).

According to the Commission, socio-economic problems are structurally related to the quality and access to education, literacy levels, gender gap and broadly, to problems of transport, energy and infrastructure (2007a, pp.11-12). In its objectives for cooperation with Egypt under the CSP 2007-2013 the EU has acknowledged the areas of priorities identified by the Egyptian government and devised a response strategy based on the latter and on the concept of a comprehensive approach including political and socio-economic reforms and development (European Commission, 2007a, pp.19-21).
Foreign policy orientation

Due to its historical and cultural legacy, Egypt has always had complex relations with its neighbours and in particular with Israel. Egypt was involved in four wars with Israel in 1948, 1956, 1967 and 1973 before signing the Camp David Accords under President Sadat and the Egyptian-Israeli peace in 1979 as the first Arab country to do so. To date, Cairo finds itself highly sensitive to developments in the Arab-Israeli conflict. In fact and due to the role traditionally played by Egypt in the region, the peace accords have translated into a cold peace rather than the normalisation of relations with Israel (Hillal Dessouki, 2008, p.192). The legacy of Nasser’s Arabism and the geographical proximity with Gaza meant that Cairo has always been susceptible to Arab reactions to its stance towards Israel and, importantly, to potential criticism from domestic political forces. This point was made evident following the Gaza crisis in January 2009 which resulted in thousands of demonstrators taking to the streets across Egypt and the region in support of the Palestinian people and condemning the Egyptian regime over the closure of the Rafah border and for its weak stance in the face of Israeli actions (Hussein, 2009, January).

The legacy of the Muslim Brotherhood (MB) as an Egyptian phenomenon and its links to the birth of Hamas in Palestine (Kepel, 2002, p.154) has made regional geo-political developments directly relevant to the stability of the regime domestically. Cairo has worked relentlessly in recent times to find a solution to the situation in Gaza and the West Bank and to mediate the intra-Palestinian situation. However, the deterioration of the already difficult relationship with Hamas has resulted in increased tensions with other regional actors, primarily Syria and Iran during the Mubarak regime. In this context, Cairo has been able to justify to the international community repressive domestic policies on the basis of international security projecting itself as a crucial partner in the Middle East Peace Process (MEPP) and as the sole mediator in the Arab-Israeli conflict.

Egyptian interests in the region are also related to outcomes of political developments in Lebanon, Libya, Iraq and Sudan: areas in which Cairo could be seen as attempting to influence developments. With regards to Lebanon for
instance, the Hizballah-Syrian nexus posed a threat to Cairo in terms of regional stability and balance-of-power politics between Iran and the Gulf bloc, in particular Saudi Arabia (Ezzat, 2008 November). The same could be also said about Iraq, where contrasting the influence of Iran and access to primary resources such as oil, have provided the main reasons for Egyptian reconstruction efforts in that country (Hillal Desouki, 2008, p.190-2).

Finally and regarding Sudan, two points seem to be of concern for Egypt. Firstly, and in the context of access to water from the Nile, relations with Khartoum remain important if Egypt and Sudan are to retain access to 90% of the Nile waters as stipulated by the 1929 Nile Waters Agreement signed under the British protectorate. Pressure from African states that rely on access to waters of the Nile resulted in 2009 in the signing of the Nile Basin Initiative (NBI) amongst the Water Ministers of all riparian states. Egypt has thus far refused to re-negotiate the terms of the NBI on the basis of national security and the country’s own water shortages despite strong opposition from African states (Mayton, 2010, April 26). Secondly and beyond the NBI, the domestic political unrest related to question of unity in Sudan could present Egypt with a civil conflict on its doorstep and the prospect of large waves of refugees. As a result Cairo has attempted to act as a mediator between the government and the rebel factions in an attempt to make sure that the Comprehensive Peace Agreement (CPA) signed in 2005 survives despite a traditional uneasy relation with Khartoum. Egyptian-Sudanese relations have not been easy in the past due to the Islamist tendencies that have characterised various Sudanese administrations and allegations by Cairo of an Iranian-Sudanese attempt to assassinate President Mubarak in 1989 (Fisk, 1995, June; Warburg: 1994).

From the picture that emerges above we could conclude that during the last decade of the Mubarak regime there was an attempt to pursue a more pro-active

14 The signatory countries to the NBI were: Egypt, Sudan, Burundi, DR Congo, Ethiopia, Kenya, Rwanda, Tanzania and Uganda (Nile Basin Initiative: 2014).

15 The objectives of the NBI were to achieve sustainable socio-economic development through an “equitable utilisation of, and benefit from, the common Nile Basin water resources” (Nile Basin Initiative:2014).
Egyptian foreign policy in the region (Dessouki, 2008, p.192). In this context, it seems that the traditional role associated with Egypt’s legacy in the Arab world was being promoted from Cairo and, at times, that this role was increasingly perceived by some key neighbours as a legitimate one.

With regards to Egyptian foreign policy towards the EU, the context of the early 1990s is telling. Chérigui (1997, p.159) notes that following the first Gulf War in 1990-91, Egyptian foreign policy in the Mediterranean became more active, with the aim of establishing a leadership role for Cairo. A number of factors seem to have contributed to this re-orientation towards the Mediterranean. First, the Gulf War resulted in a stronger and explicit alliance by Egypt with the West and Europe, and with France and Germany in particular (Chérigui, 1997, p.160). Moreover, the return of the Arab League’s headquarters to Cairo, together with the presence of Egyptian personalities at the helm of other international organisations, such as U.N. Secretary General Boutros Boutros Ghaly, was seen as a favourable strategic environment for the re-launching of Egyptian interests in the region and the promotion of Cairo in terms of its mediating role in the Middle East (Chérigui, 1997, p.160). Keen to prevent their isolation from the Maghreb and the already existing ‘Five Plus Five framework’, Mubarak aimed at counterbalancing the initiative by attempting to be fully integrated in the EU Mediterranean project (El-Sayyed Selim, 1997, p.70; Chérigui, 1997, p.160). Cairo had, in fact, proposed the idea of a Mediterranean Forum to the Parliamentary Assembly of the Council of Europe on November 11, 1991. President Mubarak identified its priorities as: economic cooperation among Mediterranean countries on intergovernmental basis, security cooperation driven by the aim of achieving a nuclear-free-zone in the Mediterranean, and the need to find a viable solution to the Arab-Israeli issue (El Sayyed Selim, 1997, pp.69-70). El Sayyed Selim (1997, pp.72-4) argues that although the security dimension of the Forum was an important element for Cairo, the immediate priority was seen as establishing a space for common cooperation on economic, technical and cultural bases. Chérigui (1997, pp.164-5) adds that although France was initially resistant to the proposal as it would conflict with its direct interests in the Maghreb, agreement over the establishment of the
Mediterranean Forum ultimately signalled and cemented the Franco-Egyptian and Euro-Egyptian *rapprochement*. The EMP presented the second component of Egypt's Mediterranean policy at the time (El Sayyed Selim, 1997, p. 75). Nevertheless, the Egyptian administration responded positively to the proposal of association in the EMP even though a number of issues remained sticking points in the negotiations. Overall, however, the objectives of the EMP were deemed as complementary to Egyptian ones, particularly with regards to economic modernisation and development (El Sayyed Selim, 1997, p. 79).

**The U.S. variable**

Understanding US-Egyptian relations is central for the understanding of both the development of Egypt as a regional actor and of the nature of the country's cooperation with the EU. President Mubarak worked throughout his 30-year rule towards regional stability with a clear Western alignment, resulting in U.S. President Obama describing him as a stabilising force in an otherwise volatile region (Diab:2009). Together with Saudi Arabia, Egypt has been the strongest U.S. Arab ally. This alliance has been dictated by pragmatic geo-political interests on both sides and has contributed to cementing the role of Cairo as the sole legitimate Arab mediating actor in the Palestinian-Israeli talks. Although it is true that Egypt has gradually become more receptive in its relations with the EU (Gad:2003), this can be seen within the context of economic relations. The US, on the hand, continues to be perceived by Cairo as the major political player in the region (Bayumi:2007). This can be illustrated by the disparity in financial assistance and aid between the two foreign actors. Whereas the EU financial assistance package to Egypt for the period 2007-2013 fell just under €1 billion (NIP 2007-2010 €558 million and NIP 2011-2013 €449 million), with an average disbursement of just under €149 million p.a. (European Commission:2007a), US Agency for International Development (USAid) assistance was at a mere $200 million p.a. but coupled with a staggering $1.3 billion p.a. in military and security assistance (El-Naggar, 2009, para.6). El-Naggar notes (2009, para.6) that military assistance is not envisaged to strengthen Egypt vis-à-vis regional security threats in the traditional sense, nor
to increase Israeli security by proxy, but rather as support to strengthen the regime’s stability and power domestically and its ability to confront populist Islamist opposition.

The U.S. stance towards the Egyptian government has been one of support even if, at times, this position has been undermined by the lack of a genuine process of democratisation in the country. In fact, even if under the Obama administration major cuts in democracy promotion have been approved by Congress (McInerney:2010), in terms of public diplomacy and rhetoric, at least, we can identify a degree of condemnation of the Egyptian government, albeit a very soft one. The extension of the emergency law in Egypt provides a good example (Al Malky, 2010). The legislation, seen as highly obstructive for the democratic evolution of the imminent electoral process in the country, has been strongly criticised for both its content and its implementation by civil society and U.N bodies alike (Fisher, 2010). Officially at least, Washington remained critical of the extension of the state of emergency but was seen as having taken a rhetorical and soft stance on the issue. Rogin (2010, para. 4 & 6) notes that a number of officials from the previous U.S. Bush administration, as well as civil society activists, criticised the State Department for condemning the extension of the emergency law, while simultaneously negotiating a potential $4 billion endowment from Washington. This position has not only raised concerns amongst Egyptian civil society, but has also prompted a number of influential academics and policy experts to call for a more active support by the U.S. government for Egyptian efforts at democratisation (The Working Group on Egypt, Carnegie Endowment, 2010).

Having said that, rhetoric from both the U.S. and the EU seems consistent in its dual form of international legitimisation and support for the Egyptian regime combined with the occasional negative note and public criticism of undemocratic practices. The indication that emerges is that US-Egyptian relations cannot be

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16 Under the Obama administration, bilateral assistance and funding to Egypt for governance and democracy has been reduced from approximately $50 million to $20 million annually; the level of funding directly concerning civil society saw a staggering decrease from $32 million to only $7 million, with the US Agency for International Development (USAID) adopting a stricter policy of only funding officially registered and approved NGOs (McInerney, 2010, p.1).
defined in clear patron-client terms but rather in client-centric or client-prevalent terms. This implies a degree of independence and autonomy in policy-making on behalf of the client without incurring any additional costs in terms of the relationship with the patron.

**CONCLUSION**

This chapter has aimed at outlining the conceptualisation of the ENP in the literature as well as finding a definition for the study of EU foreign policy in Egypt, providing insight into the main theoretical concepts associated with the process of change and norms-transfer under the ENP and, then by outlining the context for EU policy in Egypt.

The chapter has outlined what are understood to be the main elements that characterise the ENP, pointing to a policy that has borrowed much of its logic from the process of Enlargement and in which adherence by partner-states to specific values and norms is seen as central to its implementation. In this regard, we have seen how the architecture of the ENP is based on various principles such as ownership and differentiation but, more importantly, how its implementation relies on a benchmarking approach. This clearly implies that the ENP rests on the mechanisms of conditionality in various forms, positive conditionality but also including a dimension of negative conditionality. The emphasis on democratic values, for instance, cannot be underestimated and, interestingly, is seen as related to both the economic and political dimension of the ENP.

Assessing the understanding of the ENP in the literature reveals that arguments in support of European normative power are generally dominant. This allows us to theorise about the nature of EU foreign policy and the nature of EU behaviour in the Mediterranean, with regards to Egypt in particular. Focusing on the ENP, we have seen how the ‘normative power’ paradigm (Manners:2002) rests on the assumption of a benevolent power which promotes its interests through the promotion of its ideas, principles and values in external relations (Manners and Lucarelli: 2006). Moreover, we have seen how by applying the concept of Europeanisation to the implementation of the ENP in Egypt could allow us to trace and evaluate the mechanisms that are at the heart of the process of
normative transfer. As Wong (2006, p.12) notes: “Europeanisation is a bi-directional process that leads to a negotiated convergence in terms of policy goals, preferences and even identity between the national and the supranational levels”. Applying the concept of Europeanisation to the above-mentioned problem can provide an analytical solution in terms of bridging the levels of analysis (Wong, 2006, p.6; White, 2004, p.20) and can explain both internal and external EU dynamics. With regards to the external application of Europeanisation, in particular,–conceptualising Europeanisation as an independent variable--the concept raises important questions about how norms are transferred and why they are adopted.

As we have seen, opinion remains divided on the subject between rationalist and sociological accounts. Norms in fact, could be seen as either imposed and/or adopted through a rational logic of action and a cost-benefit calculation (conditionality) or, through a more subtle process of argumentative persuasion and a logic of appropriateness (socialisation). Having said that, it must be noted that explanations of the ENP in the literature presented above provide what could be termed as the conventional view of the policy, that they reflect and reproduce EU official discourse and representations. Therefore, we could argue that they are characterised by a biased approach which does not take into consideration empirical evidence. Importantly, the majority of the authors in the review tend to conceptualise the EU and its external behaviour as ontologically benevolent and as a force for the greater good. The following chapter will attempt to address this biased position by providing an eclectic theoretical framework in which the ENP will be conceptualised from different perspective and its behaviour in foreign policy evaluated accordingly. In order to do so, this chapter has attempted to address the conceptual problems related to the study of the EU as a unitary actor.

The case-study of Egypt is seen to be a suitable and, potentially, telling test with regards to the capacity of the EU to transfer norms through the ENP but also for EU bilateral behaviour. The chapter has attempted to outline the socio-economic and political characteristics of Egypt in order to highlight both the relevance of
the country to the EU, and in order to problematize that relationship in the context of this study. Here, the various issues emerge as part of a complex and problematic relationship in which, for instance, client-patron relationships are not very clear cut, where the concept of security can be seen as having various interpretations and where a number of variables and actors make the relationship all the more complex.
CHAPTER TWO:

AN ECLECTIC THEORETICAL FRAMEWORK

This chapter aims to outline the concept of security in the study of international relations and to provide a theoretical framework for this analysis. Looking beyond conventional explanations of EU behaviour as seen in the previous chapter, different theoretical approaches can provide new perspectives for this study. They can also allow us to question the ontological foundation upon which the policy is built. Therefore, this chapter will argue that both EU-Egyptian relations and EU external behaviour cannot be accounted for by one single theory alone.

This chapter will construct an eclectic theoretical framework in which norms and normative transfer are conceptualised from different theoretical approaches, namely: Constructivism, Realism and Liberalism. The ontology of this framework will be rooted in the discipline of International Relations and the study of foreign policy.

Analysing the implementation of the ENP in Egypt from different theoretical perspectives will provide a type of litmus test with regards to Egyptian adoption of and resistance to the process of normative transfer. In this context, this chapter will provide evidence that a number of challenges are associated with this process. The process of norms adoption, in fact, implies domestic political costs that emerge due to the different perceptions of security and interests. The role of a different political and cultural context and their associated value-system are also crucial in this regard. The main motives for considering alternative theoretical models stems from the changes that occurred in the international system in the 1990s, and form the subsequent changes to the perceptions of security in international relations. As a result, the understanding of the concept of security has become broader and more comprehensive, going beyond its traditional narrow understanding of military security. The implications of this change have provided the opportunity to apply different analytical perspectives to the analysis of the ENP.
The theoretical framework will:

- 1) outline the study of foreign policy and the debates surrounding the study of EU foreign policy. In doing so, this section will outline the changing nature of the international system and how the understanding and perception of security has changed. This section will allow us to conceptualise the EU as a coherent actor in international relations;
- 2) present and apply alternative theoretical explanations to the ENP in Egypt. This section will start from the normative and constructivist conceptualisation of the ENP as represented in chapter one, before complementing it with alternative theoretical assumptions and explanations. The focus will remain on the ENP and EU relations with Egypt. The role of norms and values will also remain a central element of consideration within the various theoretical models. The rationale here is not to ignore mainstream explanations proposed by theoretical constructivism, but rather to open the theoretical ground to other approaches and related questions.

This chapter will thus outline the theoretical tools associated with each approach and point to their usefulness in the analysis. Theoretical eclecticism can provide a holistic and diverse theoretical basis for testing and evaluating the empirical evidence. Importantly, it can also provide a diverse interpretation and treatment of various intellectual concepts such as norms, normative-transfer, power, interests and cooperation.

THE CHANGING INTERNATIONAL STRUCTURE AND THE CONCEPT OF SECURITY

Before starting any theoretical appreciation of alternative International Relations models with regards to the ENP in the Mediterranean and Egypt, it is important to clarify a) the current nature of the international structure and b) the changing conceptualisation of security. These changes could be seen as having emerged from two landmark events: the end of the Cold War and the terrorist attacks of 9/11 on the U.S. Understanding the altered natures of the
international structure and of the concept of security is important because this
will allow us to better position and apply the various theoretical models to the
study of the ENP in Egypt. Moreover, this will allow us to identify the degree of
importance that the various theoretical schools attribute to the role of norms and
values in international relations. As we will see, in the post-bipolar international
context, the role of norms related to democracy and human rights has become
more prominent in the articulation of foreign policy. Together with the
seemingly contradictory promotion of neo-liberal market economics, these can
be said to characterise the nature of the EU external behaviour.

The changing international structure

The period of the Cold War was characterised by bipolarity and by the threat of
nuclear conflict. This reinforced the understanding of security in narrow
strategic and military terms, conceptualising security mainly as state-centric. In
this context, Realism emerged as the dominant paradigm in the study of
International Relations (Baylis and Wirtz, 2002, pp.6-7; Waltz, 1954, p.238; Walt,
1991, p.212). The events that led to the fall of the Berlin Wall in 1989 marked the
beginning of the fragmentation of the Soviet Union and the end of the bipolar
argued that the resulting international power structure was characterised by
uni-multipolarity, i.e. a hybrid between one super-power (the US) with global
interests and reach, and a number of other major powers such as the EU, China
and Russia. Following a neo-realist logic then, the demise of the bipolar system
resulted in the emergence of alternative poles of power and different dynamics
of international competition and conflict (Huntington, 2003, p.3). Evidence of
these changes were reinforced in November 1991 with NATO adopting its New
Strategic Concept according to which potential threats were now seen as
emerging as a result of instabilities caused by social, economic and political
difficulties or by ethnic and territorial disputes, and not from calculated military
aggression (Carr and Ifantis, 1996, pp.75-6). This new security environment,
characterised by the lack of certainty and distinction between friends and foe,
between primary and secondary conflict, brought to the surface a new concept
of ‘risks’ as opposed to ‘threats’ (Biscop and Coolsaet, 2003, p.3).\textsuperscript{17} Within this context, values such as human rights and democracy were perceived as essential for stability and a functioning international order (Braizat and Schmid, 2006, pp.6-7; Biscop and Coolsecat, 2003, p.3). The European Security Strategy (ESS) of 2003 goes a long way in articulating the above argument and identifying the relevance of such values for European and global security.

Since the end of the Cold War the EU has adopted a comprehensive approach to security in which the emphasis has been on addressing emerging risks through the promotion of development cooperation and democratic values (Biscop and Collsecat, 2003, p.6). Whether this development reflected a genuine re-conceptualisation of security by EU leaders or whether it was the result of the EU deploying its only means of power (understood as soft power) (see Kagan: 2002) remains debatable. Nevertheless, European soft-power remains an important tool for the promotion of democratic values in foreign policy. The deployment of EU soft power should translate into the implementation of various EU policies and related policy structures, instruments and operational tools. As we will see, deploying EU soft power rests in part on mechanisms adopted by Enlargement policy. Evidence for this argument can be identified in the various Stability Pact for the Balkans, the Association Agreements in the Mediterranean, the accession of Central and Eastern Europe and more recently, in the ENP (Braizat and Schmid, 2006, p. 7; Biscop and Coolsecat, 2003, p.8).

From an International Relation theory perspective, for instance, the logic upon which the EMP rested was clearly based on the tenets of democratic peace theory (see Doyle:1986) and on the assumption that increased economic liberalisation, political reform and cultural understanding within Mediterranean partners would enhance European security (Youngs, 2007, p.42; Braizat and Schmid, 2006, p.7). Youngs (2007, p.43) argues that faced with the rise of an anti-democratic force such as political Islam in the Southern Mediterranean, the aims of the EMP were to discreetly promote the precursors of democracy in

\textsuperscript{17} These new risks that were seen as potentially undermining EU security included drug trafficking, transnational organised crime, nuclear smuggling, transnational terrorism, legal and illegal migration, environmental risks and intra-state conflict (Biscop and Coolsaet, 2003, p.3; Chryssochoou, et al., 1999, p.128).
order to mitigate the effects of political transition, essentially, promoting political and economic rights without making relations with Mediterranean partners conditional on the adoption of Western-style liberal democratic structures.

The events of 9/11 reinforced the comprehensive security approach of the EU. On September 21st, 2001, the Council called for an in-depth political dialogue with countries where terrorism was present (The Council of the European Union, 2001, p.3). The Council also called for the integration of all countries into a fair world system of security, prosperity and improved development (ibid.). The geographical proximity of the Middle East and the Mediterranean, as well as the European perception of insecurity, made the priority of promoting political reforms seem all the more important for European security (Braizat and Schmid, 2006, p. 8). Braizat and Schmid (2006, pp.5-7) note that since 9/11 democracy promotion has become a common foreign-policy value of Western powers in the Middle East, and democratisation, an autonomous goal in itself.

**Different understandings of security: The EU and Egypt**

With the end of the Cold War, alternative understandings of security emerged in academic circles as a way to contrast the international conditions advocated by theoretical realism. The world order was rapidly becoming complex and interdependent, thus creating international conditions in which the use of force as the ultimate guarantor of security was irrelevant or unimportant as an instrument of policy (Keohane and Nye, 1989, p.27; Mc Sweeney, 1999, p. 46; Baylis, 1999, pp.13 & 15). Scholarly debates regarding the conceptualisation of security became divided under two main categories: traditionalists and wideners (Buzan, 1997, p.6-13). The contentious issue was the broadening of the security field of study to include non-traditional sectors beyond the military and the strategic and consequently, questioning the centrality of the state as the referent object of security (Buzan, Wæver & de Wilde, 1998, p.8; Buzan, 1997, p.13). Although the traditionalist school attempted to justify its narrow definition on grounds of intellectual coherence, the arguments posed by the wideners seemed to best explain the post-cold War security environment. Approaches from the Copenhagen School broadened the field of security to include the securitisation
of sectors such as the societal, the economic and the environmental without excluding traditional ones such as the military and the political (Buzan et al.: 1998). Buzan (1997, p.13) noted that the Copenhagen School:

“[C]onstructs a more radical view of Security Studies by exploring threats to referent objects and, the securitization of these threats, that are non-military as well as military [...] It seeks [intellectual] coherence not by confining security to the military sector, but by exploring the logic of security itself, to find out what differentiate security and the process of securitization from what is merely political”.

The analytical framework introduced by Buzan et al. (1998, pp.15-9) rests on the concept of security complex theory (SCT)\(^{18}\) and defines the process of securitization as:

“[A] more extreme version of politization [...] It is the inter-subjective establishment of an existential threat with a saliency sufficient to have substantial political effect” (Buzan, 1997, p.14).

By focusing on the referent object of security in specific sectors we are thus able to identify both the sources of insecurity and its related responses. The conceptualisation of democracy promotion as the securitization of democracy in the terms used above (Buzan: 1997; Buzan et al.: 1998) is very important when attempting to understand EU approaches to security. In the attempt to develop its own foreign and defence policy, the EU seems to have made the comprehensive approach to security its own (see ESS 2013) and one that is perceived as distinctly European in the promotion of security values (Biscop and Collseat, 2003, p.14).

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\(^{18}\) Classical security complex theory (CSCT) posits the existence of regional sub-systems such as the Middle East and/or the Mediterranean as objects of security analysis and provides an analytical framework for dealing with those systems based on the primary of the state as a referant object of securtiy and by focusing on the political and military sectors (Buzan et al., 1998, p.10-11).
Security from an EU perspective

We could argue that a comprehensive approach to security opens the spectrum of analysis to other variables that were previously ignored. Essentially, it means that development cooperation, aid assistance, trade promotion and of course, the promotion of democracy are all seen as directly linked to European security. Consequently, we could deduce that the norms and values that inform these policies are also conceptualised as security-related values.

Vennesson (2007, p.15) argues that the ESS reflects a neo-liberal and constructivist view of international relations and security. The strategy emphasises the globalised nature of the international system and identifies the challenges as stemming from an interdependent environment. Security challenges are conceptualised as non-military in nature (terrorism and regional conflicts) and identifies the root-causes of these challenges as originating from socio-economic factors such as poverty, under-development, scarcity of resources and access to energy (Council of the European Union, 2003, pp.2-3). Effective responses are seen as resting on a comprehensive approach and based on a pro-active policy of conflict and threat prevention based on non-military instruments (Council of the European Union, 2003, p. 7). The vision of the ESS is to promote efficient multilateralism (Council of the European Union, 2003, pp.9-10) as a way to address these challenges and, therefore, promote the rule of law, international institutions and spreading economic and democratic values as instruments of security:

“The best protection for our security is a world of well governed democratic states. Spreading good governance, supporting social and political reform, dealing with corruption and abuse of power, establishing the rule of law and protecting human rights are the best means for strengthening the international order” (Council of the European Union, 2003, p. 10).
Vannesson (2007, pp.19-23) notes that the EU has essentially formulated a post-realist strategy informed from a neo-liberal institutionalist and constructivist view of international affairs.

Although we could argue that EU security threats in the Mediterranean have been perceived in the above terms, emanating from the socio-economic conditions, we should remember that traditional security concerns are still present and highlighted by the increasing tensions over the Arab-Israeli conflict for instance (Spencer, 1998, p.136). Spencer notes (1998, pp.150-1) that EU efforts to tackle threats such as the rise of Islamic terrorism, as well as other softer issues such as migration and economic development through a comprehensive strategy, indicate a defensive and non-confrontational model of security. However, an important question to raise is to what extent this concept of security and its applicability is compatible with southern Mediterranean partners whose security is generally understood in traditional, narrow terms?

**Security from an Egyptian perspective**

In the context of Egypt, we could argue that the concept of security has historically been perceived within the Realist tradition and has been intrinsically linked to dynamics of domestic and regional security. Egyptian conceptualisations of security have remained narrow in scope and linked to the developments in the Israeli-Palestinian conflict and the rise of political Islam. Firstly, the legacy of Nasser's Arabism and the geographical proximity with Gaza meant that Cairo has always been susceptible in its stance towards Israel in its domestic and regional reactions. As a result, the Camp David Accords in 1979 have translated for Egypt into a cold peace rather than the normalisation of relations with Israel (Hillal Dessouki, 2008, p.192). Secondly, the historical development and legacy of the Muslim Brotherhood (MB) as an Egyptian phenomenon and its links to the birth of Hamas in Palestine (Kepel, 2002, p.154) have made regional developments in the Middle Eastern Peace Process (MEPP) directly relevant to the stability of the regime in Cairo. The rise of the MB in Egypt and the appeal of the writings of Sayyed Qutb amongst others, meant that
the various Egyptian presidents have consistently been challenged by radical political Islam, be it in the form of the MB or the Jamaat El Islamaya during the 1970s (Kepel, 2002, pp.81-8). Since the end of the Gulf War of 1991, Egypt has taken a more assertive role in the region and, in doing so, attempted to counter balance the increasing dominance of Iran. Cairo has been pro-active also with regards to Lebanese and Sudanese politics and recently attempted to contribute to the stabilisation of Iraq (Hillal Desouki, 2008, p.190-2). Together with Saudi Arabia, Egypt has been the strongest U.S. Arab ally and the second highest beneficiary of U.S. military aid. However, is exactly this pro-Western and U.S. stance, coupled with the explicit exclusion of Islamist forces from the Egyptian political system that has legitimised the recent rise of political Islam.

The current situation in the region emphasises even more the regional security dilemma Egypt faces. The advent of the Arab Spring, the crisis in Syria, the collapse of the Libyan state and more recently, the destabilising sectarian tensions between Sunni and Shia Muslims so violently manifested by the emergence of the Islamic State for Iraq and Syria (ISIS), all point to hard, traditional security concerns to be addressed by the administration and the military in Cairo.

Under these conditions, it is not easy to promote a comprehensive and soft approach to security as advocated by the EU. Security, the discussion above makes clear, is differently perceived and consequently acted upon in the EU and in Egypt. In the former, a comprehensive and interdependent approach characterises the concept of security. From an Egyptian perspective, security remains rooted in traditional conceptualisation of power-struggles and survival. The point of interest for this study is the interaction between the policy dynamics of the ENP and EEAP and the dichotomy that characterises the understanding of security for the EU and Egyptian policy makers.

AN ECLECTIC THEORETICAL FRAMEWORK

The aim of this section is to contribute to the theoretical evaluation of EU-Egyptian relations in the context of the ENP and to apply an eclectic theoretical
framework to the study of EU-Egyptian relations and of EU external behaviour. The following section will firstly outline the dominant explanations and understandings of the ENP in Egypt. Secondly, it will introduce additional theories that are similarly applicable to the study of the ENP and able to provide us with alternative interpretations of the policy and, consequently, of EU-Egyptian relations. The rationale for applying an eclectic theoretical framework rests on the argument that although the ENP has been mainly associated in the literature as an instrument of EU normative power, much evidence exists to contradict this assumption. This study will argue that this conceptualisation provides only a one-dimensional view of the relationship between the EU and Egypt and of the nature and behaviour of the EU in the region. On the contrary, this study contends that applying a number of alternative theories can contribute to a better understanding of EU behaviour in the region and provide us with a multi-dimensional understanding of the subject matter by introducing an element of eclecticism and theoretical plurality.

The applicability of an eclectic theoretical framework including state-centric approaches such as Realism is possible on the grounds that EU policies such as the ENP can be conceptualised as a collective, representative and unitary set of objectives which have resulted from the convergence of the preferences of various driving EU actors. Importantly, a broader re-conceptualisation of security as outlined above allows us to mitigate the challenge posed by the application of Realism to the EU. From this perspective, security and interest can be conceptualised away from traditional state-centric understandings and applied in a post-modern fashion to EU policies in the Mediterranean. That said, this study does not marginalize traditional understandings of security. On the contrary, it endeavours to understand how different conceptualisations co-exist in the context of EU-Egyptian cooperation. Furthermore, it is important to note that in the following theoretical framework the relevance of ideational variables is not monopolised by constructivists’ theories. Neo-classical realism also takes into account variables such as culture, perceptions and ideas while neoliberal institutionalism focuses on the cultural context and understanding of individuals within institutional structures. In fact, a pluralist conceptualisation of norms
allows us to bridge the various approaches with the parading of normative power Europe and to question the ontology of concepts such as norms, normative transfer, power, interests and cooperation. Thus, the rationale of the theoretical framework is to emphasise the value of all approaches outlined above and to recognise the shared agenda of complex-interdependence. The crux of the research will be concerned with the different explanations provided with regards to motives. In this context, the various stages of the policy can provides us with different explanations. From the initial formulation and decision making process resulting in the establishment of the ENP as a policy in the Mediterranean, through the process of implementation of the Action plan in Egypt, theoretical eclecticism will allow us to make different inferences at different stages of the policy process. Here the concept of Europeanisation becomes important both as a conceptual and analytical tool.

**Normative Power and Constructivism:**

The concept of European normative power has been developed by Manners (2002), who conceptualised the Union as substantively (and ontologically) normative, having a distinctly collective identity in international relations. Manners argued (2002, p.252) that the substantive components which define the EU’s international identity are values such as democracy, respect for human rights, social justice and liberal pluralism, and which are to be found in EU treaties, regulations, criteria and policies developed over the past fifty years. This is evident, for example, in Art. 6 of the Treaty of the European Union (TEU) which codifies democracy, human rights and the rule of law as constitutive elements of the EU’s political community and in the Copenhagen criteria which are used as a benchmark for potential members (Noutcheva, 2008, p.253). Manners (2002, p. 353) notes that three elements characterise the EU in international politics: its hybrid polity, the nature of its political system and its historical experience which, in turn, is the experience of its combined members. Based on these characteristics and particularly on the concepts of shared experience and collective identity, normative power is conceptualised as the EU capacity to shape and/or influence what is seen as ‘normal’ in the international arena (Manners, 2002a, p.254). For instance, the EU’s international opposition
to the death penalty is used to highlight the international projection of EU values (Manners, 2002b, pp.37-43). On this note, Manners and Lucarelli (2006, p.2) have argued that the EU behaves internationally according to a set of dynamic, yet identifiable values, principles, and images of the world which are seen as at the root of the EU in world politics.

Moreover, the authors add that the notion of historic responsibility is also often referred to with regards to EU foreign policy (Manners and Lucarelli, 2006, pp.2-3). These assertions aim to highlight the perceived distinct nature of the EU in world politics, particularly with regards to two characteristics not often present in traditional state actors: a) a stabilising effect in international relations that Europe derives from its own history and historically-developed and formed values and principles and b) external relations inspired by an ‘ethics of responsibility’ towards others (Manners and Lucarelli, 2006, p.4).

The thesis of EU normative power is theoretically grounded on the tenets of constructivism in International Relations, the main proponent being Alexander Wendt. Constructivism is primarily concerned with the sociological component of the systemic structure as opposed to solely focusing on explanations of rationality and material variables (Wendt, 1995, pp.71-3). To quote Checkel: “Constructivism is concerned not with levels per se but with underlying conceptions of how the social and political world work” (1998, p.325). From this perspective, the identity and interests of actors are seen as key in determining the social construction of the international system (Wendt, 1995, pp.78-81). Hence, the international system is conceptualised as being socially constructed and as reflecting actors’ knowledge thus, being a function of it. It logically follows that the systemic structure, agents’ interests and identity are mutually constituted (ibid.). In essence, the approach rests on two assumptions: a) that material structures are only meaningful if one takes the social context into account and b) that the constitutive nature of agent-structure relations questions the relation between identity and interests formation (Checkel, 1998, p. 326). Thus, constructivism allows us to identify normative elements which are constitutive to structures (social and institutional) and which are constituted by actors and their knowledge (Wendt, 1995, p.81 & Wendt, 1992, p.399).
Constructivists conceptualise institutions as normatively constructed structures which are codified in certain rules and norms and which could at times, act as a motivational forces “[...] in virtue of actors’ socialisation to and participation in, collective knowledge” (Wendt, 1992, p.399). From this perspective, Wendt regards institutions as cognitive entities that only represent the actor’s ideas of the world around them (1992, p.399). Here, the process of institutionalisation is seen as the internalization of new identity and interests, a process which is fundamentally cognitive rather than behavioural. Therefore, actors’ behaviour is understood within a context where “rule-governed action and logic of appropriateness prevail” (Checkel, 1998, p.325). The role of norms is seen as key in explaining the emergence of agents and in providing them with an understating of their interests (ibid.). As Wendt has argued (1992, p.407), actor’s practices help shape the system therefore, changes in those practices will change the inter-subjective knowledge that constitutes that system. This point supports Manners’ (2002) argument of a normative EU projecting its identity externally through its practices.

Normative power is a very abstract concept which is exercised implicitly manner. Theoretically, it is underpinned by constructivism and by the notion that actions are taken within a socially constructed environment and through interpretative filters such as: ideas, beliefs, norms, identities and culture (Parsons, 2010, p.80). As a result, it emphasises the importance of concepts such as meanings and interpretation in constructivist analysis and explanations. From this perspective, actions can be explained by taking into account a number of variables which are also defined as interpretative filters. Hence, constructivism aims to explain the world as a function of a landscape of ideas, norms, identities, practices and provides a powerful and demonstrable explanation about why people act the way they do (Parsons, 2010, pp.97-8). With regards to the case study of the ENP in Egypt, this position raises important questions related to the objectives of the policy and the means to attain them. Essentially, one should ask whether the ideas, beliefs, norms and values inherent in the AP with Egypt are transferable in Egypt and, if so, whether we can identify a successful process of
persuasion and socialisation by which to transfer them. If so, for which ideas and norms and in which sectors?

**Realism: classical, neo-real and neo-classical**

Realism has arguably been the most dominant paradigm in International Relation theory in the post-war period and consists of three dominant schools of thought: classical realism, structural or neo-realism and neo-classical realism. Although characterised by some differences, all realist schools share a number of assumptions. Firstly, they assume the nature of the international system as anarchic and conflictual; secondly, they emphasise the role of the state as central; finally, they emphasise the primacy of power and the role of security in all human actions and motivations (Carr, 1981, p.10; Gilpin, 1984, p.290). Gilpin notes (1984, p.290) that: “[U]nlike its opposite, idealism, realism is founded on a pessimism regarding moral progress and human possibilities”. Realism is understood as informing policy-makers to adopt a pragmatic, Realpolitik understanding of international affairs. In realist terms then, the state and the concept of power are central to the analysis. Power is seen as enabling actors to pursue their national interests as opposed to idealistic and altruistic visions of international affairs (Carr, 1981, p. 80). In his criticism of inter-war liberalism, Carr (1981, p.80) notes that the latter were mere “[S]logans of those who felt strong enough to impose them on others”. Thus, the promotion of a liberal ideology which essentially underlined the drive for power. Later, Morgenthau (1985, p.5) elaborated on the concept of power defined in terms of national interests. Theoretically, the result was an increased emphasis on state-centrism and an ontological understanding of human beings and states as inherently conflictual and power-seeking (Rynning and Ringsmose, 2008, p.22).


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19 For neo-classical realist the state is also conceptualised as composed by individuals and thus, allowing for the analysis to consider the concept of ‘conflict groups’.
noted that: “Neo-realism contends that international politics can be understood only if the effects of structure are added to the unit-level explanations of traditional realism”. Analysing both levels allows the researcher to develop an international-political theory and make inferences regarding the expected behaviour of the unit (Waltz, 1988, p.618). Neorealists also argue that states struggle for power because they attempt to secure resources and their survival, i.e. they are primarily concerned with national security (Waltz, 1988, pp.616-7).

In this struggle for survival, states are seen as continually adjusting their stance in response to other actors’ power. The balance of power system that emerges is defined by the number of poles (polarity) and forms the basis for the balance of power theory with the tendency for states to respond to systemic conditions. Theoretically then, the balance of power makes assumptions about states in terms of being unitary actors who, “[A]t minimum, seek their own preservation and, at maximum drive for world domination” (Waltz, 1979, p.118). One of the most important differences with classical Realism is that Waltz (1979) introduces an element of rational choice in state behaviour.

Currently, two strands of neo-realism have emerged: offensive and defensive. Offensive realists share much with classical realism such as the inherent aggressive nature of states in an anarchic system. This means that states are seen as very skeptical of cooperation in situations of asymmetries (power and capability) and therefore, primarily concerned with relative gains and power (Mearsheimer:1990). For offensive realists anarchy provides incentives for expansion in order to increase power and guarantee survival (Rynning and Ringsmose, 2008, pp.26-7; Norris, 2002, pp. 24-5). Defensive realists on the other hand, would argue that under certain circumstances and with the appropriate incentives, states will evaluate the cost-benefits of potential cooperation. Instead of focusing on material capabilities defensive realists are concerned with ideational factors such as intentions and perceptions of actors in order to explain state behaviour and thus, the potential for cooperation (Norris, 2002, pp.26-7; Jervis:1969; Walt:1987; Huntington:1993). More recently and in a similar vein to defensive neo-realism, scholars have revived classical realist approaches by capitalising on the importance of norms, perceptions and other ideational factors. Costalli (2009, pp.328-31) argues that realism has always
been concerned with the relationship between international cooperation and culture, the formation of collective identities and non-material forms of power. According to Rynning and Ringsmose (2008, p.22), Morgenthau, Stanley Hoffman and Reinhold Neibuhrt all shared assumptions about the socially constructed nature of the state and about the fundamentally power-seeking and self-interested nature of human beings. The implicit link between the individual and state allows for an evaluation of world politics that accounts for variables such as international morality, subjective political power as well as objective material power (Rynning and Ringsmose, 2008, p. 22). Essentially, neo-classical realism brings the focus back to what Gilpin (1984, p. 290) defined as ‘conflict groups’ i.e. individuals that compose the state and takes into account both material and non-material variables such as norms and perceptions.

Focusing on EU policies in the Mediterranean, we could argue that they clearly manifest objectives designed to address material interests and security priorities aimed at enhancing the Union’s role in the region. The ENP objectives to create a ring of friends and an area of stability and prosperity reflect the rationale of the European Security Strategy (ESS) (2003), thus emphasising the primacy of security for the EU in its relations with Mediterranean partners (Biscop: 2004; Dannreuther: 2006). As we have seen, the ENP rationale is to address a number of security-related concerns stemming from the EU external environment including: illegal migration and the linkages to organised crime, drugs trafficking, terrorism and its potential for regional instability, energy and conflict (Commission, 2004, pp.16-8; Commission, 2003, pp.10-11). With regards to the Mediterranean and the Middle East region, all of the above factors are directly or indirectly influenced by the political context of the Arab-Israeli conflict. Maintaining a central EU role in the region and the ability of Brussels to be part of the framework and influence outcomes is, thus, a key objective of the ENP (Commission, 2003, pp. 7 & 13).

Cavatorta et al. (2008) have argued that using an alternative theoretical framework for the analysis of EU behaviour in the Mediterranean would produce
very different outcomes vis-à-vis conventional constructivist explanations. Using evidence from the case of Morocco, the authors adopt a realist perspective of the Euro-Mediterranean Partnership (EMP) and its objectives. The EMP rationale has generally been understood as one of promoting European security through stability and prosperity, thus linking security objectives to democratic and economic development in the Mediterranean (i.e. achieving a Kantian-style peace). The logic has been one of affecting actors and their behaviour through osmosis (Cavatorta et al., 2008, pp.5-6) which reflects a constructivist agenda. However, from a realist perspective, the EMP appears as a successful initiative based on an instrumental and strategic use of norms coupled with short-term objectives related to political and material interests (Cavatorta et al., 2008, p.8).

Within the context of Euro-Mediterranean relations, adopting instruments that reinforce and maintain the role and power of the domestic regime irrespective of the degree of authoritarianism, seems to have taken priority over initiatives to engage with domestic political opposition and civil society in a credible manner. The promotion of democracy in fact, could be seen as a short-term destabilisation of the region and therefore, a threat (ibid.). This is clearly a realist conceptualisation of security “which maximises benefits in place of norms” (Cavatorta et al., 2008, p.9). The EMP as well as the ENP are formulated in a manner which reinforces the role of the partner states and promotes interaction with the government as the sole interlocutor, at the expense of promoting genuine dialogue with political opposition which, should be the minimum requirement for an agenda of democracy promotion (Cavatorta et al., 2008, p.14-5). The authors (Cavatorta et al., 2008, p.12) note that achieving regional stability is essential for the EU for maintaining the regional status-quo: this is obtained firstly, by maintaining Arab regimes in place as ‘gate-keepers’ for the EU, in return for a privileged interlocutor’s position on matters of trade (which benefit the EU and are hijacked by local political elites) and aid assistance. Hence, the assumption that the EU is always interested in promoting democracy is to be challenged. Secondly, that analysing EU external relations from a rational/realist perspective might help us to identify how is the Union dealing with the
democracy-stability dilemma, (and if this dilemma still exists) (Cavatorta et al., 2008, pp.19-20).

EU policy in the Mediterranean could also provide a good testing ground for the neo-realist argument. Norris (2002, pp.40-1) has argued that neo-realism has been wrongly considered inadequate as a vehicle for explaining the end of the Cold War and process of European integration. Even though offensive realists such as Mearsheimer (1990) seem to have wrongly predicted a return to multipolarity within Europe, defensive realists claim to be able to explain such event. By focusing on the unit-level variable, for example, they can explain changes and rationales for cooperation amongst EU member states and, thus, can explain the development of integration and conceive of the EU as a unitary international actor. In fact, conceptualising member states’ actions from a defensive neo-realist perspective, one could predict a degree of cooperation amongst them resulting in the emergence of a relatively coherent actor who could potentially balance U.S. hegemonic power (Norris, 2002, p. 40). More recently, a renewed dynamism of China in North Africa has been well documented and economic figures confirm that country’s growing role in regional industrial development and investment (Lafargue:2008; Xiaojie:2002). One must ask, then, if EU initiatives in the region such as the EMP and the ENP are also aimed at balancing the efforts of other actors? Is the EU aiming to forge for itself a degree of political weight and legitimacy in the Mediterranean in order to be more politically competitive?

From an Egyptian perspective, Washington has generally been perceived as a political heavy-weight in the region as opposed to the EU, which tends to be regarded as primarily an economic actor (Bayoumi:2007). Recent events, particularly during the administration of George W. Bush, have arguably resulted in claims of an Egyptian shift towards Europe, the latter being perceived as more receptive, understanding and objective than the U.S. (Gad, 2003, pp.188-9). This argument is, however, difficult to sustain since traditionally the U.S. stance towards the Egyptian government has been and remains one of support even if at times this position has undermined the process of democracy promotion. Under the Obama administration major cuts in democracy promotion have been
approved (McInerney:2010), signalling that Washington appears to be more concerned with stability than democracy in Egypt. But to what extent do these developments indicate an increasingly competitive environment for EU-US relations in the region?

There is no doubt that the structural changes which happened in the post-Cold War period contributed to the perception of a more influential role for the EU in international affairs. The advent of globalisation and the emergence of a truly global economic system has meant a shift in the systemic distribution of power, arguably in favour of the EU. This is certainly true with regards to the EU neighbourhood where power asymmetries are evident and specifically, with regards to the Mediterranean and Middle Eastern region where, unlike in the East of Europe, the absence of an actor such as Russia is determining. The argument in favour of a more powerful EU in the Mediterranean region correlates well with Susan Strange’s notion of structural power defined as:

“[T]he power to choose and to shape the structures of the global political economy within which other states, their political institutions, their economic enterprise, and (not least) their professional people have to operate” (Quoted in Keohane, 2000, p.x).

Strange identified four domains of structural power, namely security, production, finance/credit and knowledge (Lawton, 2000, p.4). Lawton et al. (2000, p.4) note that Strange addressed the narrow focus of International Relations and of Realism in particular, in favour of a broader conceptualisation of power, one that included structural and relational power, namely the power to influence the ideas of others, their access to credit, security and prosperity (see Strange: 1988 States and Markets). Whereas neo-liberal institutionalism and neo-realism retain the centrality of the state, structural approaches as formulated by Strange are concerned with the impact of the system per se and, with changes

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20 Under the Obama administration, bilateral assistance and funding for governance and democracy towards Egypt has been reduced from approximately $50 million to $20 million annually; the level of funding directly concerning civil society saw a staggering decrease from $32 million to only $7 million with the US Agency for International Development (USAID) adopting a stricter policy of only funding officially registered and approved NGOs (McInerney, 2010, p.1).
within it. Nevertheless, Strange acknowledges the role of a superpower such as the U.S. (thus a state) in establishing and maintaining these structures. Structural power models would argue that the proliferation of trans-national cultural and economic interactions have led to the development of a global economic system, effectively changing the system (Lawton et al., 2000, p.8).

Moschella (2004, p.60) has argued in those precise terms noting that EU region-building in the Mediterranean can also be seen as a reflection of the changing distribution of power. In his view, EU region-building in the Mediterranean is an attempt to maximise power and influence relative to others over a determined time and space: “[R]egion-building is a multi-dimensional process, and economic regionalisation can be considered as a first step in order to achieve wider political and security objectives” (Moschella, 2004, p.60). From this perspective, Holden (2009, pp.14-6) has also focused on the nature of EU-U.S. relations and the impact of their respective agendas in the Mediterranean and Middle East. The author highlights the potential competitiveness emerging between the two actors as a result of the shifting distribution of power at the end of the Cold war. Holden (2009, pp.14-6) argued that if we borrow Strange’s concept of structural power, both actors can be seen as competing for more influence in these structures even if they arguably operate in different dimensions.

Another valid argument is that far from employing normative instruments for collective milieu-shaping, the EU relies on very tangible sources of power, namely: its economic clout in the region, fear of exclusion from its market and the promise of membership (Hyde-Price, 2008, p. 31). This statement is consistent with the tenets of hegemonic stability theory as advocated by Gilpin (1987). Similarly to Strange, Gilpin (1987, pp.11-2) was interested in understanding the dynamics that characterised state-market relations and their impact on the evolution of the world economy and structural/systemic change. In his endeavour, the author has been credited with what has been labelled as ‘Gilpin’s model of pluralistic enquiry’ comprising Liberal, Marxist and Realist perspectives (McNamara, 2009, p. 174; Cohen, 2007, p.203). He believed that even though the world was increasingly characterised by dynamics of complex interdependence, politics would ultimately retain its power to shape economic
relations (Cohen, 2007, p.203). Gilpin (1987, pp.72-4; 1981, pp. 127-155) argued that in order to see the emergence and expansion of an internationally open and liberal economic system, three prerequisites needed to be met: the existence of a hegemonic power, an economically liberal ideology and common interests amongst states. He was in fact, amongst the first scholars to support the idea that in order to have a healthy global economy, the weight of a dominant state power was essential (Cohen, 2007, p.204). According to hegemonic stability theory, a dominant state is seen as needed to be willing and capable to sustain such a liberal economic order. This increases the hegemon’s power and legitimacy as it helps to provide a number of public goods such as liberal trade, currency management regimes and security (Gilpin, 1987, pp.73-4). The market becomes a very powerful political instrument in this context as the hegemon is able to influence other actors both positively and negatively by allowing or denying access to its market (Gilpin, 1987, pp.75-6).

The exercise of this type of power can be also applied to the EU in the Mediterranean. Conceptualising the EU in regional hegemonic terms can help us understand how and why regional initiatives such as the EMP and the ENP are so reliant on economic harmonisation and alignment. Moreover, the exercise of economic conditionality under these cooperation frameworks could be considered evidence of the exercise of economic power by the EU. Examining the Egyptian responses to the launch of the ENP, for example, Vignal (2009, p.4) notes that a degree of scepticism and mistrust reigned amongst officials at the Egyptian Ministry of Foreign Affairs due to the extent and depth of politically-oriented provisions in the proposed AP. Negotiations had to go ahead dictated by a worrying economic situation and the need to introduce and implement effective economic reforms. Beyond official circles which emphasised the benefits of the AP, small and medium businesses in Egypt expressed concern regarding the potentially asymmetricality of the arrangements and the increased competition their domestic markets would face (Vignal, 2009, p.8). The issues raised included concern over the capacity of the Egyptian administration to match EU standards as well as the high costs of achieving these standards, which were seen as prohibitive for this large section of the private sector (ibid.).
Hyde-Price (2008, p.30-2) has also argued that the external role the EU performs for its member states is an instrumental one driven by self-interest and asymmetrical power-capabilities in the region. The EU agenda in its neighbourhood could be seen as promoting and protecting member states’ economic interests, while at the same time shaping the regional milieu through various interventions (ibid.). Beyond explanations of conventional security and economic interests mentioned above, access to energy is also seen as a main concern for EU members. We could argue that the post-1973 OPEC increase in energy prices exposed European dependence in this sector, a dependence that potentially could be addressed in part by the ENP in the Mediterranean. In this respect, the policy is seen as able to mitigate a number of EU shortcomings in the field of energy security namely: the dependence on limited suppliers, the EU difficulties in liberalising the energy market, the lack of EU competence in regulating energy imports (Hadfield:2009).

Conversely, it is important to note the impact that member states have on the direction and nature of EU external relations (Hill, 2003, p.295). The power-struggle that emerged between France and Germany over the Union for the Mediterranean (UfM) (Balfour: 2009; Bechev and Dimitar: 2008; Aliboni et al.: 2008; Schmid: 2007) is testament to the influence member states have on the various EU policies and regional initiatives. It is safe to say that northern European states have been traditionally skeptical and unwilling to share the burden of EU policies in the southern Mediterranean. The events of 9/11 and later the terrorist attacks in Madrid and London contributed to a change of perception in this regard (Schumacher, 2008, p.15 in Alboni et al., 2008). Although it appeared that Germany has been a strong supporter of the Barcelona Process since its inception, Schumacher (ibid.) argues that German foreign policy circles have also regarded the EMP as the playground of few southern European states and an inadequate forum in which to address political and security concerns, mainly hampered by the different positions on the Arab-Israeli issue.

Over the last few years, Germany had tried to balance its position between having a say in Euro-Mediterranean affairs and guaranteeing that appropriate resources would be directed at EU engagement in the Eastern dimension. This
bargaining process has been relatively straight forward to date with an accepted division of labour between northern and southern EU members as defenders of their interests in their respective neighbourhoods (Schumacher, 2008, p.14). That said, Germany has increasingly become a strong supporter of a more assertive EU foreign policy in the Middle East as well as getting directly involved in a mediating role between Hamas and the Israeli government (ibid.). The UfM proposed by President Sarkozy as a project exclusively for Mediterranean states was seen in German circles as jeopardising the long-standing Franco-German alliance at the heart of the EU (Schumacher, 2008, p.15). Ultimately, although France was able to count on non-Mediterranean member states to support the initiative, its motivations for the idea were seen as purely self-interested. Some have argued that the reason for launching the UfM was to secure the Arab vote in the French elections (Schmid, 2007, p.7), while others have argued in favour of a logic based on a renewed dynamism in French foreign policy aimed at re-establishing France’s role in Mediterranean politics (Albioni *et al.*, 2008, p.5), an initiative aimed at promoting French *grandeur* in the region and vis-a-vis other EU partners (La Gloannec, 2008, p.18; The Economist, 2008).

Realist perspectives on the study of the ENP have shown us that the EU could comfortably be seen as playing the role of a self-interested and power-maximising actor in the Mediterranean, one primarily concerned with maintaining regional stability and the *status quo*, at the expense of democracy promotion and principled actions (Dannreuther:2006; Cavatorta:2008). The security discourse could then re-conceptualise the ENP as a policy bridging the domain between realist and normative approaches. This would call into question the accepted view that various EU policy frameworks in the Mediterranean have been far from successful. If stability and security are the primary policy objectives, one could argue that the EMP and ENP have been somewhat successful in making use of norms in an instrumental and strategic manner (Cavatorta:2008). This argument also reinforces Carr’s view that powerful states can manipulate rhetorical slogans in order to accommodate their interests (1981, p.80). Classical realism, then, emphasises the role of material variables such as power and interests and the role of the state as the primary actor. Power
here is seen the ability to shape the international system in order to enable actors to pursue and maximise their interests. However, power can also imply the ability to implicitly instrumentalise specific norms to pursue a given self-interested goal. The Mediterranean and Middle Eastern region can be seen as experiencing competitive dynamics between the EU-bloc and various international actors including the U.S. and an emerging China.

According to neo-realist predictions, it could be argued that a degree of regional competition exists between both actors, resulting from the expected balancing of US hegemony. These competitive dynamics, which are more explicit on climate and trade issues, can nevertheless be identified by focusing on the respective approaches and commitments (both financial and political) to the region and to Egypt in particular. To an extent, this competition also affects the degree of legitimacy of the two actors vis-à-vis third countries and with regards to democracy promotion and aid assistance. Therefore, we could argue that using a Realist perspective would allow us to pose new questions and to arrive at a new hypothesis. Notwithstanding the intellectual challenge of applying Realism to the study of the EU external policy, this can prove fruitful and shed light on specific aspects of EU behaviour in the region and, in particular, in EU-Egyptian relations.

**Liberalism: Neo-liberal institutionalism**

The development and implementation of the ENP can also be conceptualised in neo-liberal institutional terms and as reflecting a neo-liberal EU agenda in the Mediterranean. The relevance of the neo-liberal institutionalist agenda in this context is that it focuses on: a) cooperation amongst actors in world politics and, b) the role of international institutions.

Even though neo-liberal institutionalism shares some theoretical assumptions with neo-realism, key fundamental differences remain. Like neo-realism, neo-liberal institutionalism aims at explaining state behaviour in an international system conceptualised as anarchic (or decentralised). Both approaches consider the nature of the international system and the centrality and power of the state as key variables in explaining and predicting patterns of behaviour (Keohane, 1989, pp.7-8). However, neo-liberals see international institutions as an
important intervening variable for policy coordination and for the realisation of common interests. From this perspective, power is conceptualised as taking into account other dimensions, such as the economy, production and influence. The concept of power here takes also an abstract and more implicit and abstract form such as soft power. Finally, the definition of states’ interests goes beyond neorealist understandings. In their seminal work *Power and Interdependence*, Keohane and Nye (1977) challenged realist assumptions through the concept of complex interdependence on two grounds: the absolute centrality of the state and the primacy of military power in world affairs. Complex interdependence is seen as characterised by three features: multiple channels of contact amongst industrial countries, the absence of hierarchy amongst issues and, the minor role of military force. It relies on the concept of mutual dependence in world politics and refers to “[A] situation characterised by reciprocal effects amongst countries or amongst actors in different countries” (Keohane and Nye, 1977, pp. 9 & 29). While retaining the importance of the state in the analysis, complex interdependence allows for the evaluation of relations in the international system at the trans-governmental and trans-national level, where actors such as NGOs, international regimes and, sub-governmental agencies also operate (Keohane and Nye, 1977, p.25). In this multi-level and multi-actor context, the concept of mutual interests becomes central for understanding the above approach.

The geographical proximity of the EU to the Mediterranean has resulted in an acknowledgment of the concept of mutual dependence and therefore, of mutual interests. This refers to the economic and financial fields but clearly extends to include security. The EU approach in the Mediterranean is arguably a reflection of the above argument in its emphasis on achieving stability through development and prosperity, and signals a new comprehensive security agenda enshrined in the European Security Strategy (ESS). The ESS states (Council of the European Union, 2003, p.2) that in the current global environment the increase in trade and investment flows, as well as new technological developments, have resulted in a bigger “scope for non-state groups to play a part in international affairs” and, as a result, have “increased European dependence – and so
vulnerability – on an interconnected structure in transport, energy, information and other fields” (ibid.). From a neo-liberal intuitionalist’s perspective, then, the ultimate goal of regional arrangements or regional projects such as the EMP and the ENP is the procurement of the public good from interdependence, be these economic or security ones. In this context, the pursuit of European security requires a degree of mutual management from a variety of actors. This process becomes more attainable when integrated into institutional and normative structures, thus making the concept of security regimes, in this case, more desirable and thus, applicable.

Therefore, international institutions can be seen to have a significant impact on state behaviour: “[S]tate actions depend on a considerable degree on prevailing institutional arrangements” (Keohane, 1989, p.2). It is important to note that the new security agenda with its emphasis on non-military factors has reduced the degree of perceived anarchy in the system, thus minimising the security dilemma and rendering the possibility of cooperation amongst states more likely and attainable. In this new security context, institutions are seen to have an effect on: 1) the flow of information and opportunities to negotiate, 2) the ability of governments to monitor others and make sure they implement their commitment and 3) prevailing expectations about the solidity of international agreements (ibid.).

Keohane argues (1989, p.2) that formal and informal rules can play a much more important role for state behaviour. Two factors are important and affect the degree of reliability of that statement: 1) the degree of mutual interests of actors, i.e. how much will they gain from their cooperation and 2) the degree of institutionalisation, i.e. institutional variation (Keohane, 1989, p.p.2-3). Therefore and within the context of cooperation, institutions are seen to have value separate and apart from states (Keohane and Martin, 1995, p.42). Essentially, they can be seen as providing benefits and goods to states. The authors note that institutions become even more relevant with regards to the relative/absolute gains debate as they render issues of distribution and bargain more salient (Keohane and Martin, 1995, p. 45).
We could argue then that cooperation amongst states in a decentralised international system will be more likely when institutional arrangements are present. In fact, these institutional arrangements will emerge in such a way as to reflect the shared interests of actors, and could have the potential to mitigate certain transaction costs associated with cooperation. Keohane (1989, p.11) emphasises the role of institutions in shaping expectations and determining the relevance of absolute and relative gains for states. State action and state interests must be interpreted and analysed within a context of embedded beliefs, expectations and rules of cooperation within international organisations (Keohane, 1984, pp.54-6).

Focusing on the ENP, it could be argued that the dense institutionalisation of the policy and the creation of joint-fora established at various levels could be seen as communication-channels or dialogue-spaces that the EU has created in order to engage and increase the prospects of cooperation in a variety of fields. For example, the Commission sees sector policy dialogue with partners under the ENP structure and within area-specific sub-committees very positively (Note to File-H1, 2008, p.11). There is no doubt that the trade and economic envelopes of the Euro-Mediterranean agenda are perceived as the most important aspect of the relation for both the EU and its partners. The Association Agreements (AA) in fact, focus predominantly on the economic and financial reforms and at transitions aimed at economic harmonisation and integration with EU structures. Mediterranean partners are clearly seeking to benefit from the above arrangements. Dondini and Fantini note (2006, p.510-2), that the ENP can have an impact on three important economic channels: structural reform, fiscal and monetary stability, and trade (Dondini and Fantini, 2006, p.512).

We could argue, then, that the ENP can be conceptualised as an institutional arrangement, a cooperation arrangement, that holds EU agency. However, we need to ask to what extent this arrangement matters and under which conditions? As argued by Keohane (1993, pp. 32-3 in Rittberg & Mayer Eds.), institutions matter with regards to international behaviour in a number of ways. They can affect actors’ capabilities through the exploitation of power asymmetries, they can alter actors’ perceptions of their interests by reducing
transaction costs and by increasing policy-options. Regimes can also help introduce to states new practices, rules and ideas (ibid.).

Keohane (1984, p.62-3) argues that a more sophisticated definition of states’ interests is needed to validate this point. In fact, and as seen before, self-interests should be defined beyond the realist understanding of power and rational action. The important point here is the variation in the perception of interests by actors. In essence, regimes should be conceptualised as “[A]rrangements motivated by self-interests: as components of a system in which sovereignty remains a constitutive principle” (Keohane, 1984, p.63). From this perspective, the EU agenda in the Mediterranean is seen as accommodating self- and partners’ interests and characterised by a number of agreements, norms and regulations that set the basis for this cooperation. With regard to EU-Egyptian relations, for example, regulative reforms and approximation with EU legislation are seen to address both actors’ interests. Returning to the debate on Europeanisation and the mechanisms of conditionality and socialisation, it becomes all the more relevant to understand how these affect actors’ behaviour: how do these injunctions against certain types of behaviour translate? In a policy such as the ENP how are positive and negative inducements exercised? Therefore, evaluating the implementation of the ENP from this perspective would enable us to identify and describe areas where patterns of cooperation and harmony are present, but also areas where discord and conflict still reign.

CONCLUSION

Assessing the literature on the ENP revealed that the policy is seen as an instrument of normative power. In the above chapter we have seen that the normative power paradigm (Manners:2002) rests on the assumption of a benevolent power which promotes its interests externally through the promotion of its ideas, principles and values (Manners and Lucarelli: 2006). Power is here a very abstract concept which is exercised implicitly and in a non-traditional manner. Theoretically, this explanation is underpinned by
constructivism and the notion that actions are taken within a socially-constructed environment and through interpretative filters such as ideas, beliefs, norms, identities and culture (Parsons, 2010, p.80).

Moving away from the above conceptualisation and broadening the theoretical spectrum has allowed the study to consider alternative assumptions and explanations. This presents the researcher with a totally different conceptualisation of the ENP, one with clear power-centric objectives and rationale. Using a Realist framework to the analysis has allowed us to highlight the elements that make the ENP an instrument for the pursue of EU self-interest in the region. From this perspective, we could argue that the ENP allows the EU to extend its regional influence, to penetrate regional economies and, ultimately, to address regional security threats. Based on these assumptions, EU relations with Egypt should be based on practical security and economic interests and thus, should be seen as maintaining the regional status quo. That said, theoretical eclecticism has raised a number of important questions to be addressed in this regards. For instance, are norms instrumentally used to pursue power-centric objectives? What are the real EU and Egyptian interests in the context of the ENP? To what extent is the EU balancing US hegemony in the region and in Egypt? Can we identify convergence or divergence in their respective policies towards Egypt?

Alternatively, using a liberal institutionalist framework has emphasised the development and organisation of EU institutional governance and its externalisation in Europe's neighbourhood. Here, the ENP is conceptualised as characterised by institutions, norms, rules and regulations and with the aim of enhancing cooperation and institutional integration. The emphasis on cooperation and shared interests is crucial in this perspective and it allows us to evaluate the extent to which the Egyptian relations with EU have become institutionalised. From this perspective, the ENP can be seen as a tool for cooperation within which Egypt could also maximise its interests and where interests themselves, can be shaped through persuasion and socialisation. Relevant questions that emerge here include: to what extent is the EU-Egyptian
relationship institutionalised? What are the actors’ shared expectations of costs and benefits? To what extent does the ENP provide an institutional forum for dialogue and negotiation?

It could be argued that a pluralist conceptualisation of norms allows us to bridge the various approaches with the parading of normative power Europe and to question the ontology of related concepts such as power, interests and cooperation. Thus, the rationale of the theoretical framework is to emphasise the value of all approaches outlined above and to recognise the shared agenda of complex-interdependence. However, the crux of the research will be concerned with the different explanations provided with regards to motives. In this context, the various stages of the policy can provide us with different explanations. Here the concept of Europeanisation becomes important both as a conceptual and analytical tool. Europeanisation allows us to evaluate the influence of EU institutions in shaping partners’ priorities and motivations. Applying the concept of Europeanisation to the above problem can provide an analytical solution in terms of bridging the levels of analysis (Wong, 2006, p.6; White, 2004, p.20).

Theoretically, the above framework will enable us to focus on the differentiated nature of the implementation of the ENP in terms of sectors and levels for analysis and, will provide us with a range of theories for the identification of motivation and responses at different policy stages. The added value of a theoretical eclecticism to the analysis is that it will be characterised by mutually inclusive and reinforcing perspectives thus, proving us with a multi-dimensional view of the subject matter. Not only will this project reject intellectual purity, but it will also benefit from its plurality by approaching and evaluating the various theoretical concepts from differing perspectives.
CHAPTER THREE:

EU-EGYPTIAN RELATIONS: THE RELEVANCE OF NORMS AND VALUES IN POLICY PROCESSES, STRUCTURES AND MECHANISMS

This aim of this chapter is to outline the implementation process of EU-Egyptian cooperation under the ENP. In doing so, the chapter will outline the programming cycle, present and explain the various modalities for the delivery of assistance, and explain the levels of interaction between actors and their respective functions. Finally, the chapter will present the allocation of funds for Egypt over the period 2002 to 2013.

In the context of the implementation process, the role of norms and values will remain central to our explanation. As seen in the previous chapter, norms can be conceptualised from various theoretical perspectives which can provide alternative explanations with regards to EU behaviour towards Egypt. For instance, from a constructivist perspective, the promotion of EU norms and values could be said to exemplify a benevolent ontology in the explanation of EU behaviour internationally. This chapter will argue that the choice of delivery methods and the prioritisation of sectors for interventions can be very telling in this regards. All delivery methods come with a set of mechanisms that can be seen as favourable for the transfer and adoption of norms. As already explored, it is not a coincidence that the ENP has borrowed a number of tools and instruments from the Enlargement process and that the policy is based on a similar benchmarking logic. This chapter will also outline the function and division labour of the various Egyptian and European institutions operating in the context of the ENP in Egypt. The role of the EU Delegation in Cairo is central for the implementation and monitoring processes and can be considered the representative office of the EU in Egypt. It is not a consular office but rather, is
responsible for all matters related to trade, cooperation and diplomacy between the EU and Egypt. Between 2008 and 2012, the Delegation in Cairo comprised approximately 90 members of staff, 30 of which European officials and contractual agents.

This chapter will explain how delivery methods can be conducive to the promotion of change in partner countries and how the mechanisms of socialisation and conditionality are inherent in that process. Moreover, it will be argued that through selected delivery methods the EU can be seen to attempt to induce change in partner states at various levels, be it procedural, institutional and/or individual. This chapter will also explain the channels for communication and the levels of interaction between the EU and its Egyptian counterparts under the framework of the ENP. This section will allow us to understand the reporting lines, roles, responsibilities and, importantly, the challenges that emerge in this context. Finally, the chapter will outline the scope and distribution of EU funding under the ENP in Egypt with specific focus on the period 2007-2013. Of particular interest in this section will be the prioritisation of sectors and the gradual emphasis on the political dimension of cooperation.

This chapter will firstly outline the rationale of the ENP and present the policy structure and instruments. This will entail unpacking the ENP programming cycle with its related processes and mechanism and will explain the implication of the ENPI for EU-Egyptian cooperation. Secondly, this chapter will shift the locus of the analysis on the sectors for cooperation under the EEAP and on the actors that characterise the implementation process and their respective functions and responsibilities. This section will allow us to better understand the levels and nature of interaction between EU and Egyptian practitioners. Thirdly, the chapter will outline project-cycle management for the implementation of the EEAP. In doing so, this final section will present the various delivery methods and explain how they are applied. Importantly, this section will highlight their relevance for the process of norms transfer. In its final section, this chapter will look at the formulation of cooperation with Egypt and at the allocation of funds per sector and over time.
THE ENP FROM FORMULATION TO PRACTICE

This section will briefly outline the rationale, objectives and structure of the ENP with specific focus on the priorities of the EU-Egyptian Action Plan (EEAP). The section will argue that the emphasis on values and norms has become very explicit in the ENP and specifically in the EEAP. Moreover and unlike previous policy frameworks in the Mediterranean (see Annex 1), the ENP manifests a stronger emphasis on conditionality and a benchmarking logic. The ENP is a policy based on the recognition of shared values such as democracy, good governance and the respect of human rights but also, on the recognition and acceptance of principles related to liberal and market-oriented economic orthodoxy. The policy builds on the existing EU institutional structure in the Mediterranean and emphasizes in particular the bilateral and unilateral dimensions of the Barcelona Processes (see Annex 1).

Officially, the Commission firstly outlined the ENP as part of the 'Wider Europe and Neighbourhood' communication in 2003. The document aimed to address the changing nature of the EU and of its neighbors following the 2004 round of enlargement. In the Wider Europe communication the Commission noted that:

“[T]he EU should aim to develop a zone of prosperity and a friendly neighbourhood – a ‘ring of friends’ - with whom the EU enjoys close, peaceful and co-operative relations” (emphasis original) (European Commission, 2003, p.4).

The method envisaged for the creation of such a region would rely on intensified economic and political relations between the EU and its neighbouring partners and importantly, on a long term approach of European support for domestic reforms, development and trade (European Commission, 2003, p.4). In this context, the Wider Europe Communication states that:

“In return for concrete progress demonstrating shared values and effective implementation of political, economic and institutional reforms, including in aligning legislation with the acquis, the EU’s neighborhood should benefit from the prospect of closer economic integration with the EU” (European Commission, 2003, p.4).
We could argue that the approach advocated by the Commission is one based on the application of positive conditionality, whereby progress in the field of reforms would result in increased access to the EU markets and EU networks. This is an approach that seems to support the EU as a normative power, one able to transform its neighbourhood according to its own values and principles. To this end, the Commission outlined the incentives offered as being access to the EU internal market, further integration and trade liberalizations aimed at promoting free movement of people, capital, services and goods (European Commission, 2003, p.4).

In 2004, the subsequent year, the Commission formally unveiled the ENP in the *Strategy Paper* (2004). The Strategy Paper outlined the objectives of the ENP as follows: 1) commitment to shared values, 2) a more effective political dialogue, 3) economic and social development policy, 4) trade and internal market, 5) cooperation in justice and home affairs, 6) connecting the neighbourhood, 7) people-to-people programmes (Whitman and Wolff, 2010, p.7; European Commission, 2004, pp.12-20). For its implementation, the ENP would rely on country-specific Action Plans (AP) drafted on the basis of individual Country Strategy Papers (CSP). The AP would serve to outline the priorities for action and to benchmark progress in key areas (European Commission, 2004, p. 3). The Strategy Paper also confirmed the intention outlined in the Wider Europe communication to merge all financial instruments and payment system (existing under the TACIS and MEDA frameworks) under one new European Neighbourhood Policy Instrument (ENPI) (Dammelhuber, 2007, p.8). 21 Finally, the *Strategy Paper* (2004), along with the Council conclusions that followed, saw a downgrading of the incentives on offer as originally outlined in the Wider Europe communication. In fact, the ‘four freedoms’ were no longer mentioned and, instead, the incentives on offer focused primarily on aid and economic assistance, integration into EU programs and EU support with regards to accessions and financing by international financial institutions (IFIs) (Comelli,

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21 Under the new ENPI made operational from January 2007, a total amount of € 11.181 billion was allocated globally for the period 2007-2013; of the total allocation, 95% was directed to country-specific forms of cooperation while 70% specifically to Mediterranean countries. The ENP is also supported by the European Investment Bank (EIB) which in 2006 renewed its mandate for lending in the Mediterranean and Eastern neighbourhoods with a total allocation for the former of € 8.7 billion, around 60% of the total (Dammelhuber, 2007, pp.7-8).
The issues of movement of people between neighbouring countries and the EU remained a salient one which ENP partners have been keen to raise whenever possible.

**The ENP Programming Cycle**

The Action Plans (AP) are the main policy instruments introduced under the framework of the ENP. Although not legally binding, the AP provide a sort of road map of priorities for cooperation and reform with partners. Despite the fact that official EU documentation defines AP as based on specific local needs and realities differentiated, all AP have a similar structure of chapters and similar overall priority sectors. This structure aims to give the ENP a sense of policy coherence even though it has attracted criticism from some partners arguing against a one-size fits all approach. This was also the perception of some key Egyptian officials who expressed surprise as well as uneasiness with some of the terminology initially associated with the policy such as a ‘Wider Europe policy’ and ‘neighbourhood’ as opposed to the term ‘partnership’ used under the EMP. The latter, implying a geographical as opposed to a geo-political criteria in the choice of partners (Personal communication, Egyptian official, Cairo, 7th September 2009).

Generally, AP comprise six actions or chapters reflecting the policy’s broad objectives. These cover respectively: 1) political dialogue and socio-economic development; 2) trade-related issues, market and regulatory reforms; 3) transport, energy and environment; 4) migration, social integration, justice and security; 5) science and technology, research and development and information society; 6) people-to-people contacts. Each chapter is then composed of additional priorities for actions. Overall, the AP are formulated on the basis of Country Strategy Papers (CSP) and the EU response strategy for each partner state.

The Country Strategy Papers (CSP) are Commission documents drafted under the framework of the new instrument for financial assistance (the ENPI) that “[S]et out the EU’s policy and cooperation goals, together with its intended strategic response, and identify[ ] appropriate priority objectives” (European
Commission, 2007a, p.3). Once the above priorities have been identified and responses formulated, individual AP are drafted by the Commission, presented to the Council for adoption and subsequently negotiated with the respective partner countries. The EU response to the CSP in terms of financial assistance takes the form of indicative financial and sector allocation through a multi-annual indicative programme (MIP): nationally through the National Indicative Programme (NIP) and regionally through the Regional Indicative Programme (RIP).

The National Indicative Programme (NIP) sets the “[S]pecific operations planned and the expected results […]” within a specific time-frame of three years from 2007-2010 and 2011-2013 (European Commission, 2007a, p.3). In turn, these are phased over the period outlined and through Annual Action Programmes (AAP) which are country-specific annual programmes aimed at implementing the objectives outlined in the CSP. The AAP constitute the operational aspects of the implementation of the priorities outlined in the CSP and within the specific NIP. AAP are prepared by Commission personnel on the ground in the Delegation of the EU. Based on the priorities identified in the NIP and on the funding allocation earmarked for a given programme, the Delegation staff embarks on a process of consultations with partners. At this stage, partner states have the opportunity to reject any given programme. As a result of these consultations, once agreed upon, individual programmes selected for support take the form of Action Fiches (AF) which are later submitted to an EU internal inter-services consultation and quality-control process. Finally, the Commission endorses the AAP with a decision which needs to be approved by partner countries. AF are then developed according to programme objectives, expected results and indicators to be utilised for monitoring, payment mechanisms and targeted beneficiaries.

**Dialogue and monitoring implementation: the ENP Sub-committees**

Once the AP are in force, technical sub-committees composed of EU officials and civil servants from the partner states oversee the implementation and monitoring of the different themes or chapters in the AP (European Commission,
The outcomes of discussions and the objectives obtained under the various subcommittees are presented at the annual Association Committee which meets at expert level and which in turn, presents its finding at the Association Council which meets annually at ministerial level. Thematic subcommittees were introduced through the ENP as a forum for dialogue and interaction between respective practitioners. Importantly, sub-committees also signal an increased attempt to institutionalise relations with the EU across sectors. That said, it is difficult to evaluate who benefits most from this institutionalisation of cooperation, in particular with regards to political dialogue. On the one hand, political dialogue implies dialogue on domestic cross-sector issues including democratisation while, on the other, political dialogue is understood in terms of traditional security issues and areas of cooperation related to foreign policy, defence and peacekeeping. There is no doubt that in less sensitive sectors, sub-committees can enhance communication, help forge shared expectation and target cooperation in areas of mutual interest.

The monitoring process under the ENP framework relies both on the subcommittees structure as well as on a system of yearly reports drawn up by the Commission. The reports are unilateral evaluations of the implementation of the AP and, in the specific case of Egypt, have proved to be a source of disagreement, particularly as the role of the latter in the consultative process is rather weak. These annual reports, highlight areas where progress has been satisfactory and where improvements could be made (Furness and Bodenstein, 2007, p.8). Annual reports should provide the Commission with the opportunity to review cooperation with partners and review the APs before eventually renegotiating them. In turn, partner countries deemed as successful and willing partners will be rewarded with a more comprehensive cooperation agreement (Furness and Bodenstein, 2007, p.9).

The Directorate General for External Relations (DG RELEX), now the European External Action Service – EEAS- is responsible for the drafting of the reports based on the inputs of the various Delegations on the ground. Delegation staff drafts the reports according to their respective sectors of expertise (political, social, economic and trade) and then sends them to the desk-officers at HQ in
Brussels. Desk-officers are HQ focal-points for Delegation staff and provide advice and support at the administrative and procedural level. This includes formulating programmes and drafting agreements for example. The desk-officers verify and edit the reports before they are internally endorsed by HQ in Brussels. Once finalised and published, annual reports can be considered a key document in the cycle of the ENP since they provide an assessment of the implementation process and hence, can influence the nature and intensity of EU cooperation with partners. The Commission takes great care in weighing the tone and language in the reports as they often serve as diplomatic tools for communicating positions and intentions on various matters.

As Whitman and Wolff (2010, p.9) note, we could argue that the ENP mechanisms rest on a cyclical or structured set of policy processes from the formulation of priorities based on CSP, to the implementation of the AP and their review through the various sub-committees and annual reports and the evaluation process.

**The European Neighbourhood Partnership Instrument (ENPI)**

With the introduction of the ENP, the framework for cooperation and assistance in the Mediterranean evolved from that outlined under the provisions of the MEDA system (see Annex 1), to the newly formulated European Neighbourhood Partnership Instrument (ENPI) (Regulation N. 1638/2006). The ENPI includes three innovations to the MEDA system: 1) a cross-border-cooperation (CBC) mechanism bringing partners that share a border closer together; 2) additional financial support through the new Neighbourhood Investment Facility (NIF), the Good Governance Facility (GGF) and finally, 3) merging previous cooperation frameworks such as TACIS and MEDA under the ENPI. Importantly, the ENPI could be seen as further enhancing the opportunity for partners to benefit from instruments such as TAIXE and Twinning (European Commission, 2010a). These are instruments which could be seen as traditionally employed for the accession process and primarily aimed at institutional approximation between public administrations in partner countries and the equivalent institution in an EU Member State (ibid.). In the context of the implementation of the EEAP,
Twinning, and TAEX are particularly pertinent to the process of legislative harmonisation with the *acquis*. Additionally, they are seen as providing financial and technical assistance and Commission know-how.

According to Delegation staff (Personal communication, N.14, 2009), the introduction of the ENPI reflects an evolution rather than a shift in the delivery methods for assistance. The ENPI is in fact, a more efficient tool for coordination and cooperation between partners and European developmental financial agencies such as the EIB, the AFD and the KfW. The introduction of the NIF under the ENPI has resulted in the ability of the Commission to disburse larger sums of money and to focus efforts on sector-reforms and dialogue. This evolution should also be understood in terms of a potential increase in EU influence on sector reforms and administrative and procedural reforms. Ultimately, the ENPI was designed to support change and reform in partner states:

“The ENPI has three strategic objectives, namely: supporting democratic transition and promoting human rights; the transition towards the market economy and the promotion of sustainable development; and policies of common interests (antiterrorism, the proliferation of weapons of mass destruction, conflict resolution, the rule of international law, etc.). Within the framework of these strategic objectives, the Commission and partner countries established four principal axes of co-operation based on: 1) The implementation of a strengthened dialogue on priority multisector reforms 2) The approximation of legislation 3) Institutional support 4) The Objectives of the UN’s Millennium Development Goals” (European Commission, 2010a).

The introduction of the ENPI resulted in additional financial resources being allocated to the neighbourhood (an overall increase of 32%). Under the framework of the ENPI, the MIP for Egypt was allocated €558 million for the period 2007-2010 and, €449.29 million for the period 2011-2013 (European Commission, 2011, p. 7). Moreover, a more explicit emphasis was placed by the Commission on the promotion of regulatory, institutional and legislative reforms and policy dialogue, through the application of sector budget support (SBS) as a delivery method. As an EU official noted, the introduction of the ENPI in Egypt
has mainly meant a change in terms of method and quantity, i.e. more use of SBS meant larger amounts disbursed (Personal communication, N.9, 2009). Some EU practitioners at the Delegation have noted that the added value of the ENP and ENPI is in its sector prioritization process and response to national needs. Importantly, this process is seen as based on a demand-driven logic that informs cooperation assistance (Personal communication, N.8, 2009).

It could be argued that although the focus of EU support in Egypt remains oriented towards regulatory and market reforms, the introduction of the ENPI broadens the target-areas for cooperation and promotes multi-level EU interaction with Egyptian actors though the introduction of additional delivery methods. This chapter will thus argue that the recent evolution of the Commissions’ delivery methods and the utilization of SBS and Twinning in particular, can facilitate the process of normative transfer. As it will be explained in section three of this chapter, the application of technical conditionality and socialisation are also identifiable through the implementation of delivery methods.

**EU-EGYPT ACTION PLAN: PRIORITIES AND ACTORS**

The aim of this section is to identify the nature of EU-Egyptian cooperation and identify what could be described as priority sectors for action under the ENP. Importantly, this section will assess the type of norms promoted under EU-Egyptian cooperation. Initially, the focus will be on EU-Egyptian Action Plan (EEAP) before outlining the relevant policy sectors and actors involved in the implementation process. This section will also outline the delivery methods (instruments) under the ENP before finally looking at the operational dimension of the relationship by focusing on project cycle management (PCM).

**The Joint EU-Egyptian Action Plan (EEAP)**

The agenda for EU-Egyptian relations under the ENP is outlined in the provisions of the Action Plan. The Joint EU-Egypt Action Plan (EEAP) is, like most such
documents, composed by six broad chapters. Within the six chapters nineteen priorities for action can be identified, covering a number of issues ranging from security to political dialogue, political reform, socio economic reforms, trade, economic modernisation and people-to-people contact. The EEAP states that:

“[I]mplementation will help fulfil the provisions and aims of the Association Agreement (AA) and will encourage and support Egypt’s national development, modernisation and reform objectives” (European Commission, 2007b, p.3).

The Euro-Mediterranean Association Agreement (EMAA) with Egypt was signed in Luxemburg on the 25 July 2001 and entered into force on the 1 June 2004. The agreement primarily emphasises the establishment of an FTA in the region and aims at bringing Egypt closer to the EU in terms of trade and financial liberalisation. That said, the agreement also emphasises the principles outlined in the United Nations Charter, particularly the observance of human rights, democratic principles and economic freedom.

Egyptian reactions to the introduction of the ENP and the AP were initially negative. The immediate reactions by Egyptian practitioners to the new policy was one of surprise as much as annoyance for the lack of consultations over the initiative. From an Egyptian perspective, Cairo had just ratified the EMAA and implementation was not even under way when the proposal for the ENP was put forward by European negotiators (Personal Communication, N. 27, 2009). Moreover, Egyptian negotiators perceived the status of their relationship with the EU as down-graded from ‘partner’ to ‘neighbour’ (ibid.). Some Egyptian officials even suspected that their EU counterparts were already aware of the upcoming negotiations over the AP during the negotiations for the EMAA (Personal communication, N. 7, 2009). From their perspective, if they had known about the AP at the time of the EMAA negotiations, what was being negotiated and how would certainly have been different (ibid.). During the negotiations on the EEAP, the Egyptian administration insisted on a number of positions it deemed important before signing the document. Firstly, they wanted

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22 These included: 1) political dialogue and socio-economic development; 2) trade related issues, market and regulatory reforms; 3) transport, energy and environment; 4) migration, social integration, justice and security; 5) science and technology, research and development and information society and finally, 6) people-to-people contacts.
to ensure that the document would reflect Egyptian priorities, not European ones. Thus, for Cairo, it was important to reflect an element of specificity in the AP. This meant emphasising that Egyptian priorities were mainly concerned with the socio-economic chapter and not with the political one. Secondly, the EEAP was to be formulated and understood as a supporting instrument for the national process of reform, not as an EU agenda for Egypt. Thirdly, Egypt requested guarantees that the ENP would not replace but rather complement the EMP framework. Finally, Cairo was uneasy about some of the terminology in the AP such as ‘rewards’, and a formal request was made for such terminology to be replaced (Personal communication, N.27, 2009).

**The Action Plan’s pillars and target-sectors**

As we have seen, the EEAP compromises six chapters. For the purpose of this study these chapters will be defined as three distinct pillars aggregating a number of actions: a trade pillar, a socio-economic pillar and a political pillar. This aggregation and differentiation aims to draw some analytical order and to set clear and distinct parameters for the analysis.

The trade pillar focuses on trade-related issues, market and regulatory reforms including movement of goods, right of establishment, company law and services as well as other key areas including taxation, competition policy and state aid, intellectual property rights and enterprise policy amongst others.

The socio-economic pillar focuses on macro and micro economic issues including economic development and reforms, science and technology, research and development, information society and audio-visual cooperation as well as infrastructure issues such as transport, energy and environment. The social component of the pillar focuses on social development and social integration as well as people-to-people contacts.

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23 Actions in the EEAP are listed as: (2.1) Enhanced political dialogue, economic and social development and reforms, (2.2) Trade related issues, market and regulatory reforms; (2.3) Transport, energy and environment; (2.4) Migration, social integration, justice and security, (2.5) Science and technology, research and development, information society and audio-visual cooperation; (2.6) People-to-people contacts (EEAP, 2007).
The political pillar includes actions related to democracy and the rule of law, human rights and fundamental freedoms, cooperation in foreign and security policy, combating terrorism and the proliferation of weapons of mass destruction (WMDs); migration and border management, judicial cooperation in criminal and civil matters, promotion of transparency, the fight against organised crime including drugs, money laundering and human trafficking (European Commission: 2007b). Although the distinction between political and non-political pillars in the EEAP could be considered conceptually weak, it is nevertheless useful for the analysis in order to distinguish between what is predominantly the domain of development cooperation and trade and, what actions tend to be considered more political in nature and thus, point to areas of cooperation that are more sensitive and problematic. The analysis will initially consider these pillars separately before providing an overall cross-pillar evaluation.

We could argue that the priorities in the socio-economic and trade pillars of the EEAP point to a long-term strategy of sustainable socio-economic development aimed at increased economic integration with the EU market and increased economic development. Priorities for interventions include a number of sub-sectors such as infrastructure, improving macro-economic governance, industrial development and enterprise, strengthening cooperation and support in the social, environmental and energy sectors and deepening sector dialogue (policy dialogue) in all of the above (Commission, 2007b, pp.8-10). Implementation of these sector-objectives is foreseen to take place in a context of deeper political, economic and social relations and on the basis of the strategic partnership (Commission, 2007b, p.1). The political pillar is a more sensitive pillar where the objectives of cooperation can be seen as two-fold: on the one hand, it aims to induce domestic reforms and dialogue in the field of democracy, human rights and good governance, and, on the other, it focuses on issues related to the regional dimension of security including illegal migration, trafficking and terrorism.
The EU Delegation in Cairo is the principle interlocutor between Brussels and Cairo on cooperation matters. The Delegation is responsible for programming, managing and monitoring implementation of the EEAP portfolios, in close coordination with the various Directorate General (DG) at HQ and with the relevant Egyptian counterparts. The Delegation comprises four main departments or sections: the finance and contract section, the political section, the trade section and an operation section, the latter being responsible for all aspects of assistance and cooperation programmes provided to Egypt under the current and previous frameworks for cooperation (respectively the ENPI and MEDA). The finance sections mainly supports operations with procedural and legal aspects related to the cooperation framework. The role of the operation section is central to all levels of the ENP policy process with Egypt, from identifying and formulating priorities (programming), to decisions related to the implementation of programmes and delivery methods, payments, monitoring and evaluation.

Internally, the Operation section coordinates and manages all assistance with the various sub-sections (Economic cooperation and Social affairs). Its role is to coordinate and implement activities and support for Egypt. The Delegation also acts as a liaison with the respective institutional departments (DGs) in Brussels and Egyptian counterparts. All operations managed by the Delegation in Cairo are the responsibility of DG DEVCO which could be considered as the main implementing arm of the Commission under the ENP framework in Egypt. Importantly, the Operation section has the delicate task of identifying and agreeing cooperation and assistance programmes with the Egyptian government. Internally, the programming exercise is led by the Operation section at the Delegation in joint consultations with the EEAS and the DEVCO Egypt desk. The role of the Political section at the EU Delegation is to monitor and report to HQ the implementation (or not) of the EEAP political chapter and the nature of political developments in Egypt. The Trade section also holds more of a political and legal role and is particularly relevant in monitoring the implementation of
the EMAA and promoting further trade liberalisation through negotiations with
the Egyptian counterparts, mainly with the Ministry of Trade. The Trade section
also monitors domestic trade practices that fall short of international trade
provisions as outlined by the World Trade Organisation (WTO) and the EMAA.
These assessments should also be taken into consideration for the programming
process. In terms of the actual management of programmes, the Political and
Trade sections are not directly involved but rather, they provide advice and
direction for potential programmes. In the context of the functions of the
Delegation as a whole, the Political and Trade sections support the Operation
section in formulating priorities and assessing implementation. The Operation
section on the other hand, is responsible for managing the entire ENP
programme portfolio for Egypt.

The Operation section is divided in two-departments, the Economic section and
the Social section. The Economic section is responsible for two different aspects
of cooperation programmes in Egypt: the first focusing on strict economic issues
related to trade, public finance management, macro-economic and financial
policy and, a second dimension related to economic development understood in
terms of structural and infrastructure modernisation and investment (Personal
communications, N.5, N.14, 2009). The Social section is primarily concerned with
projects related to social development such as rural development, education and
health, all of which are primarily aimed at reducing poverty and improving socio-
economic conditions and quality of life in Egypt (Personal communication, N.4,
2009). As an EU official put it, the operation section has a dual role: 1) the
management of all projects with Egypt in all of their aspects and administration
and, 2) a political role, since "[C]ooperation is the arms of the political relations
of the EU" (Personal communication, N.26, 2009).

Externally, the Delegation interacts with the Egyptian government mainly at
ministerial and sub-ministerial levels and maintains close relations with various
sections of civil society. With regards to the implementation of the EEAP, the
main interlocutors are the Ministry of Planning and International Cooperation\textsuperscript{24}, the Ministry of Foreign Affairs and the Ministry of Finance. In the context of the implementing process, the Delegation also interacts with various public bodies and institutions as well as with other relevant line ministries. At the administrative level, the Ministry of International Cooperation is the main focal point or entry point for all EU assistance and cooperation. Importantly, it is the body which grants Egyptian approval for all EU programmes and assistance in the country. The Ministry of Foreign Affairs has a central role at the political and diplomatic level, but also in terms of coordination and political dialogue at the policy level. In the context of the ENP sub-committee for example, the Ministry of Foreign Affairs holds a leading and coordinating role for all sub-committees.

For our purposes, the main body of interests at the Ministry of Foreign Affairs is the Steering Bureau for the Implementation of the EMAA and EEAP. Here, the Ministry’s role has been to coordinate the positions of various line ministries in their articulation of national sector needs and priorities for cooperation and assistance with the EU. The Steering Bureau also works to provide the EU with a coherent national position on a number of issues. This has been particularly useful for the EU Delegation during the processes of programming and identification in which the Bureau acts as main coordinator for the Egyptian side. The function of the Bureau is primarily to follow-up the state of implementation of the EEAP and evaluate and negotiate with the EU. Moreover, the Ministry of Foreign Affairs has also the role of conveying official communications and demarches to the EU and \textit{vice versa}.

Finally, the role of the Ministry of Finance has recently become more important in terms of the EU criteria and conditions attached to the delivery modalities and, in particular, with regards to eligibility for sector budget support (SBS). In fact, SBS delivery implies a central role for the Ministry of Finance, since the funds are delivered to the national treasury and assume an increased efficiency in public finance management.

\textsuperscript{24} Before January the 25th 2011, it was the Ministry of International Cooperation.
We could argue that EU-Egyptian interaction in the context of implementation the ENP and the EEAP pillars primarily involves the Commission in the form of the Delegation on the ground and the three Egyptian ministerial focal points as outlined above. That said, everyday EU interaction with Egyptian counterparts increasingly takes place in the context of relevant line ministries and sub-ministerial bodies. Arguably, it is at this level (sub-ministerial) that EU access is more qualitative and its influence more effective.

IMPLEMENTATION OF THE ACTION PLAN: OPERATIONS AND DELIVERY METHODS

The following section will attempt to outline the operational dimensions of EU-Egyptian cooperation by focusing on the various project-cycle processes and related decision-making phases. The aim will be to understand how priorities are identified and implemented, and through which instruments. This section will outline the priorities for EU-Egyptian cooperation identified under the NIP 2007-2010. The aim is to identify the prioritising of sectors and fund allocation from both partners during the period in question.

The Project Cycle Management (PCM)

From a narrow perspective, project cycle management (PCM) implies all the management activities and decision-making procedures associated with the lifecycle of a programme or project (European Commission, 2005, p. 17). For our purpose, the PCM can also be understood as a conceptual framework for the management of the overall cooperation programme between the EU and Egypt under the ENP. Importantly, the PCM allows us to understand how EU policy towards Egypt is prioritised, where the resources are allocated and how are they disbursed. Hence, the PCM should be considered as a tool for analysis as it allows us to identify and trace the implementation and, thus, the prioritisation of actions under the EEAP. According to the Commission’s Guidelines for Aid delivery:
“Project cycle management is a complex and creative process involving the negotiation of decisions acceptable to key stakeholder groups.... It provides an overall analytical and decision making framework, which must nevertheless be complemented by the application of other specific ‘technical’ and ‘process’ tools” (European Commission, 2004, p.2).

The PCM is a process compromising six phases: 1) programming, 2) identification, 3) formulation, 4) implementation, 5) evaluation and 6) audit. The process of programming is coordinated by the Commission and programmes are selected according to the beneficiaries’ priorities, their evolving needs, absorption capacity and progress on reforms and, are based on the objectives outlined in the relevant Country Strategy Papers (CSP) and indicative programmes (Council Regulation N.1488/96, points 14-18) (For procedures see points 19-22).

The main phases and related EU documentation and tools supporting the PCM in the context of the implementation of the EEAP are the following: 1) Programming phase: Country Strategy Papers (CSP) and National Indicative Programme (NIP); 2) Identification phase: Identification or Action Fiche (sometimes called an End of Identification Document); 3) Formulation phase: The Financing Proposal, either for individual projects or for a Programme of Projects (sometimes called an ‘Action Programme/Financing Decision’); 4) Implementation phase: The Financing Agreement and associated Technical and Administrative Provisions and Terms of Reference (ToR); 5) Monitoring (operational) phase: Information contained in the CRIS (Common Relex Information System), including the Implementation Report window; and 6) Evaluation phase: evaluation and Audit reports (European Commission, 2004, p. 18).

Each of these documents is relevant in the PCM at different stages of the operational cycle although not all are publicly accessible (e.g. Financing Agreements and ToR). For our purposes, this section will focus on the first four phases and related documentation. The selection of these documents is essential
for understanding and unpacking the nature of interaction and cooperation between the EU and Egypt under the framework of the ENP.

Each phase of the PCM implies different levels of interaction, decision-making and responsibilities between EU and Egyptian officials. For example, the programming and identification phases (1) undertaken by the Commission are articulated in the CSP and NIP. The process involves consultations and joint identification of priorities with partners and stakeholders at various levels (ministerial, sub-ministerial, experts, civil society). The formulation phase (2) is mainly related to internal EU decisions on programmes such as prioritisation and approval with the involvement of Audit Committees, member states and the European Parliament (EP). This phase is articulated in the Annual Action Programme (AAP) and Action Fiches (AF), also known as the Financing Decision in which partner states have to undertake a pre-feasibility study. The implementation phase (3) entails the signing of the Financial Agreement and associated Terms of References (TORs) for each programme and project. Here the main Egyptian interlocutors are the key three ministries: the Ministry of International Cooperation, the Ministry of Finance and the Ministry of Foreign Affairs. Depending on the mode of delivery, additional relevant line ministries or other public and non-public bodies are also involved at the technical level. The implementation phase consists of the implementation of operational plans as well as a monitoring process (annual and quarterly reports) which are often conducted by partners states (principle of ownership) with Commission support (European Commission, 2004, p. 19).

**Delivery Methods**

This section aims to outline the delivery methods under the framework of the ENP and to highlight the central role played by the Commission and in particular, by DG Development and Cooperation (DEVCO) in the implementation of the EEAP. The aim here is to understand how the Commission delivers cooperation in partner states and through which mechanisms. The term ‘delivery’ here is conceptualised as the actual implementation of projects
following a specific cycle of stages and procedures comprising the identification of priorities, financial and implementing modalities and monitoring. This section will argue that utilising instruments from Enlargement and Development policy, the Commission is able to apply mechanisms for normative transfer (conditionality and socialisation) in a variety of sectors and across different levels (policy and institutional) in its cooperation with Egypt. To sustain this argument this section will outline the various processes of how objectives are identified, how resources are transferred and under what conditions.

In order to understand delivery methods under the ENP we firstly need to contextualise their rationale as part of the EU aid and development strategy. The principles and objectives of the EU’s external aid and development strategy are set under Art.177-181 EU Treaty and aim at the fostering of sustainable economic and social development, the smooth and gradual integration of the developing countries into the world economy and the fight against poverty. DG DEVCO is the main institutional interlocutor with both beneficiaries and the EEAS (ex-RELEX) and all sector DGs (DEVCO, 2011). With regards to the Mediterranean region, strategic objectives are defined as:

“[T]he establishment of a zone of peace, stability and prosperity, and supporting economic and political reform and transition” (European Commission, 2004, p.4).

The main instruments envisaged for pursuing this strategy are: political dialogue, development cooperation and trade. In this context, ownership of partners/beneficiaries, together with an increasingly participatory role for civil society and the harmonisation of donors’ efforts, are all principles agreed by the international donor community (see the OECD’s Rome Declaration on Harmonisation, 1998 and 2003) and reinforced by the principles outlined in the Paris Declaration and the Accra Agenda (2005). From an EU perspective, a re-adjustment of intervention modalities was needed for: a) the streamlining of aid delivery instruments, b) promoting the use of sector and budgetary aid as delivery methods; c) increasing decentralisation of responsibilities (devolution) to the EU Delegations on the ground and, d) promoting the harmonisation of
donor’s efforts (Commission, 2004, p.5). Moreover, it could be argued that the
new strategic approach also emphasised the interconnectedness and links
between socio-economic development and good governance and, generally, the
promotion of increased democratisation. In this context, the Commission’s Aid
Delivery Guidelines (2004) state that:

“Irrspective of the sector focus, delivery modality (e.g. budgetary aid or projects)
or geographic location of EC development assistance, there are a number of critical
cross-cutting development issues which must be appropriately addressed
throughout the project management cycle” (ibid.).

These cross-cutting issues include: good governance, gender equality and
environmental sustainability (ibid.).25 Although these cross-cutting issues can be
conceptualised as development objectives in their own right, they also reflect an
increasing concern with long-term objectives related to institutional and
administrative reforms and the promotion of basic (and political) rights. This
new approach seems particularly evident in the working logic of the ENP Action
Plans and in the strategic rationale of the ENPI were political dialogue,
development cooperation and trade are all part of one seemingly coherent
cooperation framework. Importantly, we could argue that re-adjustment of
intervention modalities specifically envisaged the promotion of SBS and the
improvement of local ownership thorough institutional and procedural
decentralisation. In this context, political dialogue could be also understood as
sector policy dialogue compromising increased dialogue in the process of
identification and implementation of priorities.

As already noted, Commission operations in terms of support and assistance rest
on a varied number of delivery methods and instruments. The choice of delivery
methods is usually established during the programming phase and rests on the
assessment of the socio-economic and political development of the partner state

25 See pp.5-6 of Aid Delivery Guidelines (2004) for a Commission’s definition of the three above cross-
cutting issues and their relevance to development assistance.
and its national priorities. The choice of delivery methods by the Commission is based on four important considerations:

“(i) the degree of control donors wish to maintain over their resources; (ii) who takes primary responsibility for targeting resources; (iii) the level at which donors and their partners wish to engage in dialogue – policy or project; and (iv) the level of transaction costs associated with managing donor funds” (European Commission, 2004, p. 12).

The section below will present the rationale and characteristics of the main delivery methods as outlined in the Commission’s Aid Delivery Guidelines (2004). The role of Delegation in this context consists of evaluating the criteria for delivery, assessing the capacity of recipients and conducting constant monitoring and evaluation of the implementation process. The main delivery methods comprise the following: the project approach, budgetary aid and sector budget support, as well as TAIEX and Twinning.

**Project-approach (PA):**

Traditionally, the main delivery method for aid assistance by the Commission has been through the project-approach. Projects are defined as: “[A] series of activities aimed at bringing about clearly specified objectives within a defined time-period and with a defined budget” (European Commission, 2004, p.8). Projects can vary in their size from small ones forming part of a wider programme, to larger ones which are programmes in their own right. Therefore, projects could be conceptualised as a set of activities which aim to contribute to the implementation of broader EU and partners’ national objectives in a given area or sector (e.g. health and education) (ibid., p.9). The formulation of a project’s objectives should be the result of inputs from the EU, partner governments and when relevant, non-governmental actors in partner states. Although the EU, like other international donors, has consistently relied on a project-approach for the delivery of aid assistance, this trend seems to have changed during the period under study. Challenges associated with the vast numbers of donors and projects implemented across sectors, together with the
new direction undertaken by the development community (see above), have resulted in a shift away from the project-approach in favour of sector budget support (SBS) and budgetary aid in the Commission’s development strategy. Nevertheless, the project approach remains an important component of EU assistance in Egypt.

**Sector budget support (SBS)**

As mentioned, the utilisation of SBS in Egypt been increasingly applied during the period under study. The rationale on this shift can be seen as justified based on the concepts of fungibility and total effect in the Commission’s Aid Delivery Guidelines (European Commission, 2004, pp. 9-10). Sector support and budgetary aid are mechanisms directed towards the public sector and thus, do not apply to supporting civil society and/or the private sector. Both approaches are based on the principles of ownership (i.e. they should be led by partner governments) and the principle of fungibility and are aimed at improving the effectiveness and efficiency of EU resource allocation. Overall, SBS have three common objectives: 1) to broaden the ownership of partner government’s decision-making in regards to sector policy, sector strategy and sector spending; 2) to minimise transaction costs by either adoption and/or harmonisation of government/donors’ procedures; 3) to increase coherence between sector policies, spending and results through greater transparency and a wider dialogue (European Commission, 2004, pp.10-1). The logic of sector budget support rests on the partner governments introducing a programme and spending plan for a specific sector-reform programme which will be eligible for Commission’s support. The sector programme formulated should be composed of three key components: 1) an approved sector policy and related strategic framework (e.g. a Poverty-reduction Strategy Paper), 2) a sector medium-term expenditure

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26 The concept of fungibility of aid resources highlights the fact that donor funded projects can simply allow partner governments to re-direct their own financial resources to other purposes (assuming that government would have spent their own money on the project(s) even if the donor funding was not available). The total effect of donor support therefore depends on how government uses these freed resources and not on the specific project or programme against which the development assistance is specifically earmarked. Reaching agreement between the partner government and donors on overall public expenditure priorities (i.e having a donor/partner government policy dialogue on overall objectives and expenditure planning) is thus a way of helping to ensure that fungibility does not compromise the development objectives that donors specifically want to promote/ support (European Commission, 2004, pp.9-10).
framework and annual budget and 3) a co-ordination process in the specific sector between donors led by the partner state (European Commission, 2004, p.11).

The criteria for determining eligibility to SBS are: 1) the extent to which macro-economic management is stable and provides a supportive environment for the private sector; 2) the extent to which national policy reflects a credible commitment to poverty reduction and growth, and in the case of the Mediterranean region, a commitment to convergence with the European economy; 3) the quality of the public finance management and/or the existence of a credible programme of reforms to public finance systems and, 4) the existence of agreed performance indicators by which to measure and review progress towards national policy objectives (European Commission, 2004, p. 12). These criteria can be said to contribute to the application of positive conditionality through the prerequisites needed for eligibility: i.e. an existing national policy or strategy, related budget and financing framework and, through agreed performance indicators. Moreover, the Commission’s emphasis and influence on developing sector dialogue is also critical element to analyse in the context of normative transfer, particularly with regards to socialisation mechanisms.

The Commission's main instrument for providing sector support to partner states is the Sector Policy Support Programme (SPSP) which has three operating modalities: 1) Sector Budget Support (SBS) which is the main modality of choice in the case of Egypt, 2) financial contribution to Common Pooled Funds, also knows as a common basket fund which finances all or part of the sector programme and 3) Commission specific procedure with funds directly sourced from the EU budget and EDF (European Commission, 2004, p.11). In the context of cooperation in Egypt, only the first instrument is applicable. On the other hand, Budgetary Aid (BA) is a resource transfer to partner governments, managed entirely by the latter using its budget and financial management system. There are two types of BA: Macroeconomic Budgetary Aid which supports the overall national development policy and the macroeconomic and
budgetary framework and, Sector Budgetary Aid (within the sector policy support programme-SPSP) which provides additional funding to a specific sector policy.

The Delegation of the EU in Cairo has prioritised SBS and sector reforms by targeting and approving one SBS programme (in the AAP) per year. Each programme consists of an amount of money roughly equal to 60-70% of the yearly EU allocation for Egypt. Over recent 6 years, SBS priorities were as follows: Water in 2005, Health in 2006, Education in 2007, Transport in 2008, Health in 2009 and Water in 2010 (Personal communication, N.19, 2009). Agreement on SBS in Egypt follows a process of consultations with national
beneficiaries and culminates with the signing of a Financial Agreement between
the EU and the government of Egypt compromising: the Ministry of international
Cooperation, the Ministry of Finance and relevant line ministries (e.g. Education
and Health). The Financing Agreement is a legal document outlining
responsibilities, conditions and financing modalities (Personal communication,
N.9, 2009). The conditions or bench-marks in the Financing Agreement, also
known as 'matrix', are formulated by the Delegation (operation section) together
with external experts and following consultations with Egyptian counterparts
thus, following a trilateral exercise (Personal communication, N. 9, N.26, 2009).

As already mentioned, sound public finance management (PFM) is a crucial
element of eligibility for SBS. In this context, the evaluation of PFM is done by the
Delegation through a Performance Expenditure and Financial Accountability
(PEFA)\(^\text{27}\) analysis in partner states. As noted by a Delegation official, PEFA is
more of a diagnostic tool for assessing the process of PFM rather than a project.
In Egypt, it started in 2008 following a request by the Ministry of Finance
(Personal communication, N.9, 2009). The aims of PEFA are to increase local
ownership and donor coordination but also to assess a country’s PFM
performance leading to a better impact of reforms (World Bank, 2010).
Essentially, undertaking a PEFA exercise allows the Economic section at the
Delegation to support the Ministry of Finance in its reforms related to PFM.
Moreover, it allows Egypt to standardise and align practices and policies with
international economic and financial standards and creates more transparent
processes and practices aimed at good governance and accountability. PFM
reforms also seek to achieve efficiency in terms of domestic policy output, e.g.
see the lack of money for the various social sectors and the subsidy system.
Thus, a sound PFM is needed in order for Egypt to remain eligible for SBS.

Payments under SBS are based on two elements: 1) a sound PFM, i.e. fiscal
discipline in the disbursement of money by the Ministry of Finance and, 2) the

\(^{27}\) The goals of the PEFA Program are to strengthen recipient and donor ability to assess the condition of country public
expenditure, procurement and financial accountability systems, and (ii) develop a practical sequence of reform and capacity-
building actions (World Bank, 2010).
implementation of conditionalities or matrix, formulated in the Financing Agreement. Payments are then disbursed in yearly *tranches* directly payable to the Ministry of Finance (i.e. into the treasury) and not to the line ministries. These conditionalities are specifically relevant to the policy sector identified for reform and entail activities to be undertaken in each *tranche* by the Ministry of Finance as well as the relevant line ministries, the division of labour being respectively about 25% and 75% (Personal communication, N.9, 2009). Non-implementation or non-attainment of these benchmarks results in non-payment by the Commission. The idea of SBS is to decentralise the management of the budget and decision-making procedures from the treasury to the relevant line ministries and from the ministerial level to the local or regional level (Personal communication, N.19, 2009). In the case of Education in Egypt, for example, this means that the Ministry of Education had to have an overall reform strategy in place and was able to demonstrate the ability to formulate a mid-term forecast of expenditure. This forms the basis upon which benchmarks are drafted (matrix) and progress monitored. For example, benchmarks could consist of relevant new legislation to be adopted, or training for certain organisations/institutions to be undertaken (Personal communication, N.19, 2009). According to EU officials at the Delegation, the Ministry of Finance is working well towards reform of the PFM and the implementation of related benchmarks. However, although these benchmarks (matrix) are formulated trilaterally, expert economists are seen, at times, as setting ambitious targets and are regarded by Delegation staff as detached from the Egyptian reality:

“*PFM benchmarks are a high priority as they are relevant to the Financial Agreement and matrix and cannot be changed. Now we are re-negotiating some PFM-related benchmarks because some activities that would take a developed country 10-20 years to implement, are listed as achievable in 3 years by Egypt [...] the system is not ready for certain steps. In re-negotiating the benchmarks we comply a compliance report where we note how Egypt has complied and we ask the Egyptian government to provide documentation evidence for this compliance [...] we discuss what type of documents we need, what laws have been passed, what is the government doing in terms of PFM reforms [...] We believe reforms are there*”
but won’t take 2 years […] so we don’t think we should punish a country for that” (Personal communication, N.9, 2009).

Therefore, PFM bench-marks can at times be too ambitious and criteria can be applied too strictly. In this context, the Delegation has undertaken what it terms as ‘a dynamic interpretation’ of the criteria focusing on constant progress in PFM (Personal communication, N.14, 2009). This is seen as an important distinction for Egypt’s eligibility to SBS and its capacity to reform but also, for the EU to access an area which is considered politically sensitive. In fact, the reform of PFM and, in particular, the PEFA exercise, allow the Commission to have access to information regarding the functioning (process, mechanisms, allocations) of the treasury and to have a dialogue on its policy orientation and reform, thus influencing it. The preliminary results of PEFA in 2009, showed that Egypt is not a top reformer. However, these finding are not featured in the policy recommendation but rather serve as a diagnostic tool to monitor progress every 3 years (Personal communication, N.9, 2009). The dynamic interpretation of the SBS criteria in the field of PFM could be seen as having helped the Commission to better assess the capacity of the Egyptian administration to reform and to establish a better quality policy dialogue:

“[W]e ask what progress has been achieved and what benchmarks are still there […] both of us can set high and too ambitious reforms. After the first round of disbursement we realised the limits of Egypt’s capacity to achieve these benchmarks. SBS is new to Egypt […] they enter into financial agreement without really knowing what SBS means….until last year the Ministry of Finance had little coordination with line ministries which didn’t see any money. Now, the ministry is more cooperative with us and with line ministries, which was not happening before” (Personal communication, N.9, 2009).

From a Commission perspective, we could argue that more emphasis on SBS forms part of the new development strategy outlined above. Importantly, these reforms are seen as falling in priority-areas/sectors for the Egyptian government and thus, sustainable through the presence of political will domestically. In terms of the work carried out by the Delegation (Economic section) in this context, SBS
serves a dual function: 1) as an instrument to monitor public finance management (PFM) in terms of decentralisation and transparency and 2) assess the degree of reform in Egypt. Moreover, the role of the Delegation is thus crucial in ensuring that Egypt remains eligible to SBS (Personal communication, N.9, 2009).

Looking at the criteria and components for eligibility to SBS, we could argue that the Commission is able to influence policy formulation as well as institutional reforms through the mechanisms aimed at increased decentralisation, good governance and transparency. Thus and from a broader policy perspective, SBS is in line with the objective of the ENP aimed at creating a ring of stable and friendly states. The application of SBS in fact, implies the gradual transformation of partner states, the liberalisation and decentralisation of their state systems through administrative and institutional reforms. Although these objectives are primarily aimed at further integration with EU market, they also imply the promotion of some political rights based on a long-term objective of democratisation. As noted by an EU official at the Delegation:

"Improvements take time but see for example the developments and expectations in a sector such as education were some [SBS] conditionalities relate to the gender and the number of girls in classrooms. This is where human rights should start, from basic rights...if girls don't go to school how are they expected to vote...human rights should include a component of basic rights" (Personal communication, N.26).

We could argue that the methodology and criteria associated with SBS are seen by practitioners as a valid delivery instrument in terms of applying positive conditionality through the principle of local ownership (i.e. emphasising a demand-driven approach) and, in terms of achieving broader ENP objectives of partners’ transformation and reforms. In fact, that SBS consist in the allocation of large sums of money, made available on demand and based on the requirements of a national sector strategy, sector policy and budget, and expenditure forecast available. This process clearly reflects the ENP logic advocated in the policy
documentation and implies a degree of positive conditionality being applied. Importantly, the expertise and know-how of the Commission are seen as crucial in the context of strategy and policy formulation. As noted by an EC official in Cairo:

“Sector reform is a good idea in Egypt because of the bureaucratic and socialist nature of the regime [...] political will from the government is very strong for reforms and modernisation [...] in the modern approach, people that know better do the work [...] we support this because is part of what we have done in Europe and what we want and, is necessary in the neighbourhood [...] the ENP is about good, healthy and stable neighbours and this is also in our interests” (Personal communication, N.19, 2009).

Technical assistance: Technical Assistance and Information Exchange (TAIEX) and Twinning

The introduction of the ENP in the framework of EU cooperation in the Mediterranean has also allowed regional partners to increasingly benefit from policy instruments previously unavailable, specifically TAIEX and Twinning. These programmes originally intended for accession countries, were extended to partners in the Mediterranean in 2003 (Twinning), and 2006 (TAIEX).

TAIEX was set up in 1996 in the context of enlargement and in order to foster the implementation of the *acquis communitaire* in candidate countries on the basis of compulsory transposition (European Commission, 2009a). TAIEX, like Twinning, is a demand-driven instrument aimed at institutional reforms and harmonisation over a range of subject areas. Its main tasks are:

“To provide short-term assistance and advice on the approximation of EU legislation with the national legislation of Beneficiary Countries and on the subsequent administration, implementation and enforcement of such legislation; To provide “peer-to-peer” assistance by public experts from EU Member States (MS) to partners and stakeholders of the Beneficiary Countries; To be an information broker by gathering and making available information; To provide
database tools for facilitating and monitoring the approximation progress as well as to identify further assistance needs, notably through Twinning projects” (ibid.).

TAIEX comprises three types of assistance: 1) Expert Missions in Beneficiary Countries intended to provide technical expertise and support in the context of the adoption and implementation of the EU *acquis* as well as provide examples of good practice; 2) Workshops or Seminars in Beneficiary Countries presenting and explaining EU *acquis*-related issues/areas chosen by the beneficiary country; 3) Study Visits in Member States intended to familiarise practitioners of the beneficiary state with the EU *acquis*. The expected results associated with TAIEX are to provide to partners information on changing EU legislation and policies, to improve understanding of the EU *acquis* in beneficiary countries, to intensify cooperation with a view to improve regulatory convergence and legislative approximation towards higher standards and, to disseminate relevant information through TAIEX database and website (ibid.). Importantly, TAIEX is also seen as providing the basis for further technical assistance under Twinning projects.

The rationale of Twinning is defined by the Commission as:

“[T]o bring together public sector expertise from EU Member States and beneficiary countries with the aim of enhancing co-operative activities [and] yield concrete operational results for the beneficiary country under the terms of the Association Agreement between that country and the EU” (European Commission, 2009a).

These activities usually include a legislative approximation component with the *acquis*, a capacity-building component whereby members of the beneficiary institutions are supported with training and workshops and, finally, an organisational component whereby the beneficiary institutions are supported to re-organise and streamline their departments to achieve more efficiency. Twinning covers various institutions and sectors including finance and internal market, environment, justice and home affairs, energy, transport, trade and
industry, agriculture, employment, social affairs, health & consumer protection amongst others (ibid.).

The role of EU Delegation in Cairo is an important one when it comes to the above delivery methods. As we have seen, technical instruments are aimed at legislative harmonisation, institutional restructuring and learning, enhanced technical cooperation and consultations (know-how). In the context of technical assistance, the Operation section at the Delegation acts as focal point with the Partner’s Administration Office (PAO) affiliated to the Ministry of International Cooperation. Together, the Delegation and the PAO are involved in the planning, design, choice of assistance and evaluation of implementation (Personal communication, N.10, 2009). The selection of the beneficiaries however, remains channelled through the PAO with little access by the Delegation.

The Operation section is thus responsible for designing technical assistance objectives and benchmarks relevant at two levels: a) at policy level and b) at programme level. At policy level, the EEAP and the EMAA are seen as the references for assistance, i.e. they provide the broad objectives for areas of national reform identified for technical assistance and, also based on national abortion capacity. At programme level, the various Support for the Association Agreement programme (SAAP) and Support for the Implementation of the Action Plan (SIAP) programmes are designed specifically for the implementation of technical and legislative aspects of the acquis under the EEAP and EMAA (ibid.). Thus, TAIEX and Twinning are considered mechanisms for maximising EU know-how in the implementation of programmes such as SAAP and SIAP. Although the implementation of TAIEX in Egypt has to take into consideration long time-frames related to the capacity and political will of certain ministries to lobby for legislative change, the instrument is regarded as having achieved 65% of expected results through SAAP/SIAP and individual programmes (Personal communication, N.10, 2009). In this context, TAIEX always precedes Twinning in that it identifies possible areas of further technical assistance and aims at forming the building blocks for that assistance to be implemented (Personal communication, N.10, 2009).
The outcome and results achieved under TAIEX and Twinning are also used to inform the formulation of the SBS matrix and, *vice versa* (Personal communication, N.10, 2009). This link between technical assistance and SBS objectives is even more evident in the selection strategy for Twinning in Egypt. The strategy can be either concentrated or diversified. In Egypt we can identify a concentrated strategy in the Water and Transport sectors were both technical assistance and SBS programmes complement each other. Other programmes that fall under a diversified approach are: animal disease, food safety and quarantine amongst others. Some sectors which could benefit from technical assistance in Egypt have proven more difficult than others to engage for the EU. For example, in some sensitive areas such as justice and security technical assistance is not requested due to the selection process of beneficiaries. The PAO retains the right to approach the ministries and indirectly to select the agencies than can benefit from TAIEX and Twinning. According to Delegation staff:

“So the intermediary [PAO] can at times act as a filter on certain issues and needs [...] or maybe they are under instructions by the government” (Personal communication, N.10, 2009).

Justice, home affairs, security and the prison service are all areas which fall under the above category. The Commission has reportedly approached various Egyptian administrations on an informative level regarding the benefits of technical assistance in the above sectors but with no success (ibid.). Overall however, cooperation with the PAO has been essential and prolific. In the context of TAIEX from 2006 to 2009, Egypt has benefited from 61 programmes, the majority under the internal market, agriculture and infrastructure sectors (Dataset – TA, 2009).

In the context of the NIP 2007-2010 for Egypt therefore, TAIEX is considered a complementary if not a key implementation tool in the context of various approximation programmes and objectives outlined in the EEAP. With regards to Twinning and the implementation of the EEAP, the instrument can be viewed as
an additional mechanism for the transfers of certain norms, rules and practices and resting on a long-term process of institutional learning and importantly, socialisation. The process of intensified interaction together with the exchange of experiences and know-how from the EU to partner states is in fact a key component supporting the implementation of the EEAP. Although the prospect of accession is absent from the Southern dimension of the ENP, it could be argued that the mechanisms for change and normative transfer applied under enlargement policy (technical assistance on legislative and institutional change and reform) are also present in the above instruments and importantly, are seen as such by the Commission. In the context of the implementation of the ENP, the Ex-Commissioner Benita Ferrero-Waldern stated that:

“[The ENP] is supported with significant EU assistance through the new European Neighbourhood and Partnership Instrument (ENPI), inter alia in the areas of governance, trade, energy, environment, education, health and research. In this process, Twinning, TAIEX and SIGMA are key tools which ensure the transfer of European know-how in a practical, hands-on manner. They aim to upgrade and modernize the institutions of the neighbouring countries and are thus central in applying the EU’s transformative power” (Ferrero-Waldern, 2008).

**The cycle of operations in Egypt:**

This section will trace and analyse the distribution of EU aid assistance to Egypt by focusing on the analysis of the various phases of the PCM and specifically, by focusing on the NIP 2007-2010. This will allow us to further contextualise EU cooperation objective with Egypt over time and focus specifically on the multi-annual financial allocations. Thus, this section, will focus on identifying and discriminating between bilateral sector strategy, objectives and mechanisms of implementation, through the evaluation of three main stages of the PCM and related documentation for the period 2002-2010: the programming and the various Country Strategy Papers (CSP), the identification through the various Multi-Annual National Indicative Programmes (NIP), and formulation through the various Annual Action Programmes (APP) and the respective Action Fiches
(AF) focusing on the NIP 2007-2010. These documents and decisions outline the priority sectors, objectives of the projects, programmes and other forms of support and assistance negotiated and subsequently approved with regards to assistance to Egypt under the framework of the ENPI. It is important to at this stage to flag the fact that the initial process of interaction with beneficiaries, the identification of sectors and programming process, funding mechanisms and up to the signing of a Financing Contract takes place within roughly one to two years of time-delay.

**Programming and identification phases 2002-2007 (CSP and NIP):**

The context of the formulation of the CSP 2002-2006 was characterised by the signing of the Association Agreement with Egypt in 2001. To that effect, the CSP identified three objectives for cooperation with Egypt: 1) promoting the effective implementation of the EMAA, 2) support for the process of economic transition and 3) supporting a stable and a balanced socio-economic development (Commission, 2001, p.21). In order to achieve these objectives two national indicative programmes (NIP) were formulated for the period of time concerned: NIP 2002-2004 and NIP 2004-2005.

The NIP 2002-2004 was allocated € 351 million and proposed seven (7) programmes\(^\text{28}\) addressing the three main priorities outlined in the CSP. The method of fund allocation and delivery was based on the rationale of MEDA, i.e. covering large sector projects both within a regional and national portfolio. Distribution of funding focused primarily on trade related issues with 54% of funds earmarked for Trade Enhancement Programme (TEP), financial and investment sector cooperation and the restructuring of the spinning and weaving sectors. Social and economic development saw 24% of funds allocated for the development of the South Sinai region, civil society and increase social development in general. Education saw 12.5% of funds allocated through the

\[^{28}\] The programmes and respective funding allocation were outlined as follows: Technical and Vocational Training Reform (€31m), Trade Enhancement programme (€60m), Integrated local development programme-S. Sinai (€64m), support for social development and civil society (€20m), Financial and investment sector cooperation (€52m), Spinning and weaving restructuring (€80m), Higher education tempus participation (€11m).
Technical Education and Vocational Training (TEVT) programme and the reform of the higher education programme Tempus (Commission, 2001, p. 27).

The NIP 2005-2006 was allocated € 243 millions and its formulation reflected the introduction of the ENP in the context of EU-Egyptian relations. The priorities identified were: 1) support the preparation for the new Neighbourhood Policy and promotion of the EMAA, 2) support the process of economic transition and 3) support sustainable socio-economic development (Commission, 2005, p. 9). Support was allocated for 8 programmes in total with distribution of funds as follows: 1) support for the ENP and the EMAA was allocated 17% of total budget at €40 million, 2) economic development was allocated 42% of budget at €103 million and 3) socio-economic development was allocated 41% of total budget at €100 million (Commission, 2005, p.24). It is important to note that with the introduction of the ENP and EEAP more emphasis was placed on the strengthening of democracy and human rights, which translated for the first time into an allocation of 2% of total budget (€5m); a small amount indeed, but one which holds particular political importance.

We can observe that the formulation of the CSP 2002-2006 emphasised the importance of the objectives of the EMAA, while the NIP 2005-2006 manifested a degree of adjustment as a result of the ENP and its overall objectives and rationale. Interestingly, the identification document explicitly tackles for the first time the issue of political reforms in Egypt, including the promotion and support of human rights and democracy. In this context, the NIP 2005-2006 makes particular reference to the findings of the of the UNDP Human Development Report for the Arab World 2002 related to democratisation, the role of women in society and the governance situation in the Arab world (Commission, 2005, pp.4-6). Arguably, cooperation between the EU and Egypt manifested for the first time an explicit emphasis on political reforms in its technical documentation. This apparent shift or adjustment in the NIP 2005-2006 could also be seen as the

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29 The programmes and respective funding allocations were outlined as follows: support to the Association Agreement (€25m); support to the Sector reform facility (€15m); support to the Water sector reform (€80m); support for Research and Innovation (€11m); extension of Tempus (€12m); support to the social sector (€15m); support to the health sector (€80m); strengthening democracy and human rights/governance (€5m) (Commission, 2005, p.24).
result of internal (institutional and technical) changes related to the policy and its mechanisms which emerged and were adopted for the implementation of the ENP.

**Programming and identification phases 2007-2013 (CSP, NIP)**

From 2007 onwards, cooperation between the EU and Egypt fell under the framework of the European Neighbourhood and Partnership Instrument (ENPI). The new CSP 2007-2013 fully integrated the objectives outlined in the ENP and EEAP and stated that the EU:

“[W]as seeking to promote its values and interests as a global economic and political player by using various instruments, such as the Common Foreign and Security Policy (CFSP), development assistance and trade” (Commission, 2007a, p.5).

With regards to the strategy for Egypt the document states that the EU objective were:

“[T]o develop a privileged partnership through deeper political cooperation and economic integration, supported by the appropriate package of financial assistance and other ENP instruments. The key strategic importance of Egypt lies in its plans for political, social and economic reform, in its potential for deeper economic relations with the EU and in its willingness to cooperate with the EU on promoting peace and security in the region” (2007a, p.19).

The three areas for cooperation identified under the CSP 2007-2013 were: 1) political reform and good governance, 2) competitiveness and productivity of the economy and supporting the implementation of the Action Plan, 3) socioeconomic sustainability of the development process (European Commission, 2007a, p.19).

The signing of the EEAP in March 2007 allowed Egypt to benefit from €558 million under the NIP 2007-2010 (Commission, 2007a, p.3). The NIP 2007-2010 identified in total seven (7) programmes under the three main objectives of the CSP 2007-2013, namely: 1) political reform and good governance, 2) the
competitiveness and productivity of the economy and support for the
implementation of the Action Plan (SAAP) and finally, 3) the socio-economic
sustainability of the development process. The distribution of funding with
regards to percentage of total allocation was as follows. Under the first priority
(political reforms and good governance) €40 million were earmarked equivalent
to 7% to total allocated funds. Priority two (economic development and SAAP)
saw €220 million allocated for 40% of total funds. Finally, priority three (socio-
economic sustainability and development) had €298 million equivalent to 53%
of total allocated funds (Commission, 2007a, p.37). The percentage of
distribution clearly points to the introduction of a political reform element when
compared to previous aid assistance packages, but one that remains dwarfed in
comparison to the emphasis on socio-economic development and reform. The
€40 million (7% of total) allocated under political reform and good governance
covered nevertheless a number of important sectors for the first time. The
programme itself had three dimensions: the first dealing with the electoral
process, the second with decentralisation and the third dealing with good
governance (European Commission, 2007a, p.27).

The overall objectives of the NIP 2011-2013 are to intensify EU-Egyptian
cooporation in political, economic, and social relations with the aims of
“eventually seeking to achieve a significant degree of economic integration,
modernization of the Egyptian society, and deepening of political dialogue and
shared values” (European Commission, 2011, p. 5). In order to achieve these
objectives the NIP 2011-2013 identifies the following areas for cooperation: 1)
Supporting Egypt’s reforms in the areas of democracy, human rights, good

30 Programmes included: Political reforms, decentralization and good governance (€13m); Protection of human rights
and strengthening of civil society (€17m); Modernisation of justice (€10m); SAAP (€220m); Education (€120m); Health (€120m); Transport, energy and environment (€58m).

31 Reflecting the recommendations of the Egyptian NCHR, the objective is to increase electoral participation, revisit the
electoral lists and administrative frameworks (2007a, p.28).

32 In preparation for the new ‘decentralisation Law’, the programme will support government efforts to modernise local
administration systems and develop local authorities in terms of ‘decision-making powers’ and ability to plan and implement
efficiently local development (2007a, p.28).

33 “The third component of the programme will support the Government with further modernisation and development of
public services rendered to citizens, promoting accountability, transparency and contestability, including improvement of good
governance and measures to combat corruption” (2007a, p.28).
governance and justice, 2) Developing the competitiveness and productivity of the Egyptian economy, 3) Ensuring the sustainability of the development process with effective social, economic and environmental policies and better management of natural resources (ibid.). In the document, the Commission explicitly emphasises the inter-connectivity of sector-priorities identified and the importance of democratisation on the process of socio-economic development:

“The three priorities are closely interlinked, and parallel progress across all of them is important to maximise synergies [...] Political reform is clearly important for the process of domestic democratisation and upholding of human rights, but it can also have a significant impact on the region where Egypt is considered a key player and can lead others by example. Democratisation can contribute to stronger growth by helping to limit state interventionism in the market, facilitating a more transparent regulatory framework and encouraging private sector actors to participate in the economy” (European Commission, 2011, pp.5-6).

The bilateral allocation for the NIP 2011-2013 amounts to €449.29 millions with an average increase with the previous programming period of 5.4% in line with Egypt’s objectives and as the result of the demonstrated capacity to absorb ENPI funding (European Commission, 2011, p.7). This statement is in contradiction with the opinions collected from most EU practitioners on the ground who explicitly point to the limits of the Egyptian administration and its absorption capacity. In fact, the burdensome bureaucracy of the Egyptian public sector together with the lack of skilled personnel in the various line ministries are often referred to by EU practitioners as a weak link of bilateral EU-Egyptian cooperation. The distribution of funding sees 11.1% of the total budget allocated to priority one (political reforms), 42.2% allocated to priority two (competitiveness of the Egyptian economy) and, 46.7% allocated to priority three (sustainability and development in socio-economic sector) (ibid.) and comprises the formulation of a total of eleven projects.34 Interestingly, priority

34 1) Support for political development, decentralisation and promotion of good governance (€12m); 2) Promotion and protection of human rights (€17m); 3) Support for modernisation of administration of justice (€10m); 4) Upgrading of
one is envisaged to pursue the exact same objectives of the NIP 2007-2010 in the
area of political reforms with an additional component of €50 million for the
process of legislative and procedural legislation between the EU and Egypt
“whenever necessary and relevant” and for providing technical assistance on a
demand-driven basis and in the context of facilitating the implementation of the
EEAP (European Commission, 2011, p. 8). At this stage it important to note that
the formulation process of the above NIP was partially finalised and
implemented due to the events of January 2011 in Egypt.

CONCLUSION

The aims of this chapter have been to explain and unpack the implementation of
the ENP in practice. The chapter has maintained the focus on the role of norms
and values in the in the processes and mechanisms that characterise the ENP and
its implementation modalities with Egypt.

In the design of the ENP, much emphasis was placed on the process of economic
integration and reform along the lines outlined under the EMP. Attracting foreign
direct investment was made even more relevant through the introduction of the
NIF instrument. Action Plans went further than before in emphasising the role
and relevance of political reforms and political values, adding more weight to
arguments supporting the normative power thesis. In terms of the
comprehensive approach to security, the ENP is seen as explicitly addressing the
challenges outlined in the ESS (2003) and as an instrument able to attain the
strategy's objectives. However, the ENP introduced important changes and new
mechanisms that have a specific relevance for the process of norms transfer. As
we have seen, the ENP design and logic rested on the policy of Enlargement and
it can be argued that a number of instruments have been borrowed if not
adopted, from the latter. Importantly, under the ENP much more emphasis has
been put on the application of SBS as a delivery instrument and, in theory at

regulatory, institutional and legislative environment (€20m); 5) Transport sector reform (€85m); 6) Energy sector reforms
(€84m); 7) Trade enhancement measures (€20m); 8) reform of education and training (€105m); 9) Water sector reform (€50m);
10) Support for solid waste management (€20m); 11) Local community development (€35m) (European Commission:2011).
least, on the ability of the EU to influence the conditions and standards of reforms in partner states.

In this chapter we have seen that the interlinked nature of sectors and related assistance tools imply a varied degree of interaction between the EU and Egyptian institutional structures and actors. Importantly, we have seen how the quality of interaction is sector-sensitive. Nevertheless, we can argue that EU interaction with the Egyptian administration takes place at four levels: ministerial, sub-ministerial, regional and local (public and civil society). Interaction at ministerial level has been identified at policy and coordination levels with regards to the Ministry of Foreign Affairs and the Ministry of International Cooperation. With regards to the Ministry of Finance however, the role of the Commission can be seen as much more influential in terms of procedural reforms and institutional de-centralisation. The discussion above suggests that the Commission could be particularly influential at the sub-ministerial and regional/local level (see institutional reforms, regulatory reforms and sector dialogue and assistance). In this context, the Delegation has also faced some limitations to the application of ENP instruments in the form of the PAO which can act as a filter in the selection of beneficiaries. The role of the Delegation is crucial in terms of influencing the selection process and consultations with Egypt, in reaching agreement on sectors and implementation modalities and, importantly, in establishing a more enhanced dialogue on sector policy and strategy.

Focusing on the context of the EU-Egyptian cooperation has allowed us to trace the evolution of delivery instruments. Under the ENP in particular, increased emphasis was placed by the Commission on adopting a comprehensive and complementary approach to assistance and a logic of positive conditionality through the application of demand-driven instruments such as SBS and technical assistance (TAIEX and Twinning). We could also argue that these delivery instruments are aimed at achieving institutional and procedural change. They can also be seen as characterised by mechanisms conducive for the process of socialisation to take place though increased dialogue and interaction. This point
was evident in the sections focusing on the EU cooperation strategy and implementation methods. Focusing on the process of project cycle management allows to unpack mechanisms and instruments relevant the process of norms transfer and change. In this context, the chapter has outlined how technical assistance instruments and/or SBS contribute to the achievement of policy goals such as legislative reform or institutional harmonisation, but also how they could contribute to the socialisation of agents through increased consultations and interaction, peer-to-peer advice and know-how transfer, institutional learning and dialogue. Importantly, understanding the mechanisms and processes of the project cycle management allows us to identify the various actors involved and their respective responsibilities, the links between objectives and procedures across sectors and, the relevance of the legal framework.

The section on delivery methods has supported the hypothesis that that the processes and mechanisms for normative transfer under the ENP can be identified in Egypt. In an analytical context however, the most important argument is that instead of focusing on the analysis of policy objectives alone, this section has focused on the processes and mechanisms that underpin the process of implementation and, on the nature of interaction amongst actors. It is these processes and mechanisms that hold the answer to the extent and quality of EU-induced transformation and change in Egypt. This section has also indicated that delivery methods should also be considered as political tools and that their application, at times, does not aim to achieve the expected objectives. This argument could be applied to the dynamic application of SBS criteria in Egypt raising questions about EU benchmarks and standards. As we have seen, SBS also drastically increases the yearly Commission disbursement in Egypt making this a relatively easy and fast way to implement cooperation.

Finally, the chapter has outlined the sector-targeted by the EU in its cooperation with Egypt. Overall, we could argue that social development and economic transition are sectors that have been systematically targeted over time. Similarly, the implementation of the respective EMAA and EEAP has been consistently supported in the various strategy papers. The NIP 2000-2006 is important in this
context insofar as it signals the first explicit attempt at cooperation in the sector of political reforms. Moreover, the introduction of the ENPI has emphasised more explicitly the linkages between democratisation and socio-economic development in the EU assistance approach and, the preference for the application of sector support. The final section of this chapter has also been able to evaluate how the rhetoric of the policy discourse is translated with actions/priorities on the ground. The picture that emerged is one where fund allocations remain focused on economic priorities at the expense of socio-political ones. This evidence weakens the normative power theory in favour of more realist and self-interested explanations of EU behaviour. That said, we can argue for a degree of disparity between what the EU promotes rhetorically and what it prioritises on the ground. The role and influence of Egyptian policy-makers and their perceptions of Egyptian interest must also be taken into consideration in this context.

In terms of the process of normative transfer, this chapter has demonstrated that the structure of the ENP in Egypt could be considered as conducive to influence change both in terms of conditionality and socialisation. Apart from the obvious mechanisms for norms transfer that could be said to take place through benchmarking and positive conditionality mechanisms, we can also argue that there is ample evidence to support the argument that a degree of socialisation takes place, or could take place, under the framework of the ENP. From the evaluation in this chapter, the degree of interaction and communication between EU and Egyptian policy-makers could be described as dense and multi-level, both informally through every day interaction and formally through institutional structures such as the various sub-committees and councils. This implies that the mechanisms of socialisation (and related assumptions and explanations) have to be taken into serious consideration in the analysis, considering that the prospect of influence and argumentative persuasion could be considered very high.
CHAPTER FOUR:

THE ANALYSIS OF THE THREE PILLARS OF THE ENP:
TRADE, SOCIO-ECONOMIC AND POLITICAL

Following the discussion in previous chapters and based on the methodology outlined, this chapter will proceed with the analysis of the implementation of the ENP in Egypt, with a particular focus on the period 2007-2010. The analysis will start from a number of assumptions: Firstly, that when attempting to evaluate changes understood as the result of normative transfer, we can only rely on evidence of conforming and/or non-conforming behaviour of a particular actor (be it an individual, an institution or a state); secondly, that the analysis of the ENP needs to differentiate between: a) different policy cycles, b) different sectors and c) different levels of interaction, be it at the policy, institutional, procedural or individual (actor level); finally, let us not forget that the main issues under investigation in this study are related to EU behaviour in international relations. Concepts such as values, norms, interests, power, cooperation and change will remain central to the analysis and to the application of the empirical evidence to the theory and vice versa.

The analysis will tackle the three main areas for cooperation under the EEAP, here defined as pillars: trade, socio-economic development and political. The analysis will focus on cooperation in priority sectors, i.e. where a concentration of funding allocations can be identified. Activities envisaged for the implementation of all three pillars are conceptualised by the EU as linked with one another. Cooperation in social affairs is in fact directly linked to economic reforms aimed at achieving sustainable socio-economic development “[W]ith a view of raising living standards and generating more jobs for Egypt’s rapidly growing labour force” (Council of the European Union, 2009, points, 69-70).
Democratisation, human rights, transparency and good governance are referred to in the Action Plan as shared values that underpin this bilateral relationship (European Commission, 2007a). Even though the analysis in this section will focus on three separate areas and sub-sectors, the aim of the analysis is to provide a broad overall perspective.

This chapter will argue that an induced process of normative transfer can be identified through policy tools and mechanisms that support legislative, institutional and individual change. Here the mechanisms of conditionality and socialisation are key for the explanation of that process and for eventual inferences. The analysis will evaluate the areas of interest and cooperation under the policy before focusing on the key factors influencing norms transfer. Evidence in this regard will consider both Egyptian reactions and European limitations.

The analysis will be characterised by and adopt an ethnographic approach resting on data collected from observations undertaken by the researcher while in employment at the EU Delegation in Cairo, Egypt. These observations were recorded for a period of a year out of three years of employment. The aim is to complement and enrich the analysis with an ethnographic perspective on the implementation of the ENP by focusing on ideational factors that shape actors’ perceptions of each other and, hence, can influence cooperation dynamics. The relevant themes here are culture, knowledge, practices, expectations, meanings and opinions. The policy areas of interest here will be the monitoring process of the ENP, interactions and communication, practices, organisational culture, perceptions and meanings as well as knowledge.

It is important to note at this stage that my working experience at the EU Delegation has provided a unique insight into the organisational culture and the understanding of EU-Egyptian relations by Delegation staff. The Delegation at the time of my work there was composed of approximately 70% local staff and 30% expatriate staff. The focus of this section will mainly be on the latter. The expatriate staff at the Delegation is made up of contractual agents and civil
servants, with the selection done on a rotational basis. In the case of contractual agents, indefinite contracts allow staff to spend extended periods of times in a position, while for civil servants the rotation rules require that every four years they have to change Delegation.

With regards to civil servants, the rotation system can be seen as problematic on two accounts. Firstly, the staff that arrive in a Delegation are usually new to the country and region and often even to the sector they are working in. As a result, it will normally take these individuals as long as a year to understand the situation, only gradually developing expertise in the political and operational contexts in which they are working. Secondly, by the time they have adjusted and understood all the structures and actors within their field of work, a couple of years have passed and is already time to prepare for the new destination.

Rotation and appointment mechanisms within the EU system are based on seniority (i.e. how many years spent with the Commission), so essentially an individual could have access to a high level managerial position without having the background needed in order to work effectively. Moreover, the lack of any prior knowledge of the local context (Egypt in our case), makes such a position all the more ineffective when considering the relatively short period of stay before rotation.

On a more operational and less individual level, the working culture of the EU Delegation reflects, to an extent, its departmental organization. For instance, Operations (including Social and Economic sections), Political and Trade sections work very much in their respective domains with little horizontal coordination and consultations. The Political section, which should be advising and coordinating with Operations on all of the programming in terms of sectors and beneficiaries, was seldom involved in that process. On the other hand, Operations hardly ever received from the Political section any relevant information on political developments on the ground or on EU positions vis-à-vis Egypt on political and diplomatic issues.
In the section that follows, the analysis will take the form of narrative, systematically addressing the following questions for each of the three pillars:

1) In which area is the EU pushing for reforms/norms transfer?
2) What is the response of the government of Egypt? (What is the extent of political will manifested? What evidence is available?)
3) What are the limitations of EU efforts/strategies in this pillar? (Why? What is the role for Egypt?)

THE ANALYSIS OF THE TRADE PILLAR

Trade is one of the main instruments of EU external relations and should be considered as the main pillar upon which EU-Egyptian relations are built. The EU and Egypt have actual shared material interests to pursue in this sector. As such, we could argue that under the trade pillar, both actors share specific preferences, goals and values related to the promotion and application of a liberal orthodoxy in policy making.

The priority sectors outlined in the following section could be seen as the areas in which the EU is pursuing a degree of change and reform and whereby actions (as outlined in the Action Plan) can be conceptualised as benchmarks. This is an important point since the evaluation of progress achieved by Egypt is undertaken against those benchmarks in the EEAP (Personal Communication, N.1, 2008).

In which area is the EU pushing for reforms/norms transfer?

The trade pillar under EU-Egyptian cooperation rests mainly on the provisions of the EMAA, signed in 2001 and adopted in 2004. The EMAA provides the legal basis for EU-Egyptian cooperation and covers an extensive road map for reform. The objectives of the EMAA mainly comprise the liberalisation of trade and the establishment of a free trade area. Within these broader objectives, a
number of sub-sectors are targeted for cooperation, the most relevant being: quality infrastructure, sanitary and phyto-sanitary issues, customs reforms and business environment.

The substance of the EMAA is to be found in Title II which sets the provisions for the Free Movement of Goods with the aims of gradually establishing a free trade area over a period of twelve years (EMAA, Art.6). Title II of the EMAA focuses mainly on tariff dismantling and regulatory reforms for industrial and agricultural goods and, to a lesser extent, on the liberalisation of services. The latter, however, has never been the main target of the original EEAA negotiations and was seen at the time of the signing of the agreement, as a new area for potential negotiations (Personal communication, N.25, 2009). For EU practitioners, Title II represents the core of the EMAA (Personal Communication N. 3, 2009). The EMAA promotes the adoption of provisions for free trade, an export oriented and open-market policy, which rest on a varied but structured set of reforms to be undertaken. The fact that the EEAA is also known by EU practitioners as a free trade agreement (Personal communication, N.25, 2009) is very telling in this regard. As the EU officials have put it, the aim of the EEAA is to create an even playing field for trade relations amongst the EU and Mediterranean partners (ibid.).

Cooperation in the industrial sector under the EEAP envisages a number of reforms in the following priority sectors: approximation on technical legislation, standards and conformity, negotiations on the Protocol on Conformity Assessment and Acceptance of Industrial Products (ACAA), implementation of 2007-2008 work programme on industrial cooperation (European Commission, 2007b, p. 16 and p.21). Standards and conformity (EU harmonised areas) actions are primarily aimed at harmonisation of standards for industrial products, with the aim to facilitate the free movement of industrial goods. This process also entails cooperation in the legislative sector with regards to product safety and market surveillance (regulatory reforms). Under the chapter of Enterprise policy (European Commission, 2007b, p.21), EEAP actions are aimed at improving industrial cooperation and support for
the national Egyptian strategy for industrial modernisation and competitiveness.

Agricultural products and fisheries are an important component of EU-Egyptian trade relations accounting for 8.2% of total EU imports from Egypt and 6.6% of Egyptian imports from the EU for the period 2004-2006 (The Council of the European Union, 2006, point, 63). Agriculture remains a key sector for the Egyptian economy, accounting for approximately 13.7% of GDP, about 30% of total labour force and contributing to food needs as well as raw material supplies to Egypt’s textile sector (Data set SCM 2008-1). Agreed priorities for sector reforms also aim at the modernisation and restructuring of agriculture and fisheries sector in line with Art.50 EMAA. Priority was also given to facilitating Egyptian access to export market through structural, institutional, legal and administrative support delivered through increased technical and scientific cooperation (Commission, 2007b, pp.24-5).

The establishment of a free trade area (FTA) of southern Mediterranean states including Egypt and the EU is a main objective of the ENP (European Commission, 2007b, pp. 18-19). The aims of the FTA are clearly articulated in ENP:

“Develop south-south trade including support the implementation of the Agadir Agreement, and promote trade and investment amongst regional partners” (European Commission, 2007b, p. 36).

South-south trade envisages participation in regional projects such as infrastructure, trade facilitation, energy and transport (European Commission, 2007b, p.8). The reform of the Egyptian customs system is seen as an essential element for the facilitation of a FTA and is also prioritised in bilateral cooperation under the Action Plan (European Commission, 2007b, p. 16). The priorities outlined in this sector focus on the modernisation of the customs administration and the simplification of customs legislation and procedures, the increase in transparency in custom rules and tariffs, the strengthening of
administrative cooperation and the exchange of experiences and know-how (European Commission, 2007b, p.32-33). Implementation of all trade priorities in Egypt is closely followed by the Trade section at the EU Delegation which liaises with a number of partner states’ entities. Internally, the Trade section directly interacts with a number of Commission DGs such as TAXUD (Taxation and Customs Union), DG Trade and EEAS (ex-RELEX).

The above section has shown that the liberalisation of trade and the establishment of an FTA is a key part of EU-Egyptian cooperation. On paper at least, this sector manifests a number of areas of common interest for both actors. We should note that the aims and objectives of the respective EMAA and EEAP form part of the formulation process of the policy cycle. We can argue that there is a clear effort to harmonise and modernise various sectors of the Egyptian economic systems in order to first integrate the latter into the EU market and eventually into the global market. Theoretically, this picture fits well with neo-liberal institutionalist explanations whereby cooperation and shared interests are pursued through various institutional structures and networks. From a constructivist perspective of cooperation in trade, the EU could also be seen as promoting and projecting externally its values, beliefs, practices and institutions.

**What is the response of the government of Egypt and what is the extent of political will manifested? What evidence is available?**

In the context of trade liberalisation and tariff dismantling, Egypt seemed to have responded positively and embarked on a reform of import tariffs in 2007, resulting in a drop of 25% to a rate of 6.5% for tariffs on industrial products (Data set SCM 2007-1). According to EU officials at the Delegation in Cairo, industrial tariff dismantling was reportedly proceeding according to the schedule outlined in the EMAA and was entering its final phase in 2009 (Personal Communication N.3, 2009; Data set SCM 2008-1.2).
With regards to standards and conformity, in 2007 Egypt agreed to negotiate with the EU the contents and priority sectors for the ACAA aimed towards the gradual standardisation and harmonisation of the Egyptian system with that of the EU (Data set SCM 2008-1.2). The work on standardisation has been mainly carried out by the Egyptian Organisation for Standardisation (EOS). The aim of this cooperation is to identify legislative shortcomings and, eventually, establish a national body for the standardisation and control of quality amongst Egyptian manufactures (European Commission, 2008, p. 8 Annual Report). In 2008, Egypt started a Twinning project for the support and development of the EOS in its regulatory and legislative functions (Data set SCM 2008-1.2). A year later, in 2009, the Egyptian Accreditation Council was recognised as an associate member of European Cooperation for Accreditation and a member of both the International Laboratory Accreditation Cooperation and the International Accreditation Forum. This type of participation in EU cooperation structures and networks facilitates dialogue and contributes to the socialisation of actors. From an institutionalist perspective, these structures can contribute to mitigate conflict and enhance cooperation, thus influencing actors’ perceptions and interests. By 2010, EU standards were adopted as Egyptian standards for toys, electrical appliances, vehicles and vehicle parts, low-voltage equipment, as well as milk and milk products (European Commission, Annual report, p.11, 2010). Overall, Egypt has been seen as very active in this sector, receiving praise by the EU for its role in the Working Group of Trade Senior Officials (The Council of the European Union, 2009, point, 75).

Negotiations on the liberalisation of agriculture, agricultural products and fisheries were successfully concluded with Egypt in 2009, after a difficult processes lasting two years. At the time, Egypt was the first Mediterranean country to reach such an agreement with the EU (Personal Communication N.3, 2009). Under the agreement:

“Egypt will be now granted with duty-free access for all agricultural (except a list of eight sensitive products) and processed agricultural products (except a list of 11 sensitive products with a high content of sugar). Furthermore, Egypt will
grant duty-free market access to all fish and fishery products originating in the EU (Combined Nomenclature chapter 3 and products of 1604, 1605), and fish and fishery products originating in Egypt will enter the EU market also duty-free (except prepared/preserved sardines and prepared/preserved tuna of 1604 13 and 1604 14) (Data set SCM 2008-1).

Despite the fact that EU officials at the Delegation described the agreement as one which will benefits Egypt immensely (Personal communication, N.25, 2009), cooperation in agriculture is affected by the area of standards in sanitary and phyto-sanitary (SPS). SPS could be conceptualised as manifesting a degree of (negative) conditionality being applied, i.e. if safety standards are not met, then import restrictions are applied by the EU. In this context, the Egyptian administration disputed more than once the safety standards applied by the EU. Over the period under study, a number of Egyptian products such as potatoes and peanuts suffered respectively from contaminants such as aflatoxin and brown rot, which resulted in an EU import ban in 2008 and 2009 (European Commission, Annual report, p.9, 2008; Council of the European Union, 2006, point, 64). Although in 2010 trade did resume following Egyptian guarantees, restrictions concerning the import of Egyptian potatoes remained in place due to concerns expressed by member states (Data set ACT 2009-1.1). The Egyptian government argued against the restriction and noted that the potato trade should, as a rule, be free with an embargo on exceptions following the occurrence of 4-5 interceptions (Data set SCM 2008-1). Still in the context of SPS, the outbreak of Avian Influenza (AI) in 2008 has prompted Egypt to impose a ban on certain poultry products, including poultry meat cut in pieces and heat-treated. On the grounds of AI, Egypt stood firm not to fully open its market to these products. The Commission at the time expressed concern in this regard and recalled that the OIE (World Organization for Animal Health) recommendations clearly stated that heat-treated meat and meat products (following a process which ensures destruction of AI virus) could be safely traded regardless of the AI status of the exporting country.
One could argue that the area of SPS indicates a degree of conflict and lack of cooperation. Measures taken by the EU have often been seen as unjust and aimed at protecting the domestic market. To an extent, we could infer that the Egyptian administration applied the same SPS rules to protect its poultry industry, in particular considering the fact that Egypt has struggled domestically to cope with AI. Nevertheless, Egypt has been cooperating in improving its safety standards and has been willing to harmonise the phito-sanitary legislation with that of the EU. In particular, the Egyptian administration requested technical assistance from the EU in dealing with fruit flies in citrus and aflatoxines in peanuts and benefited from a number of Twinning and TAIEX projects to that effect (Data set SCM 2008-1).

In the context of free movement of services and capital, Egypt has continued to implement its national reforms plan for the modernisation and liberalisation of the financial sector launched in 2004, although at a slower pace and with much more difficulty.

Another area seemingly prioritised under the ENP was the enhancement of the business environment. With regards to enterprise policy, the EU has systematically encouraged Egypt to implement the Euro-Mediterranean Charter for Enterprise and to consolidate reforms aimed at improving and boosting private sector development with regards to small and medium-size companies (SMEs) (Data set ACT 2008-1.4). In 2010, the EU praised for Egypt for the implementation of recommendations made with regards to three key areas of the SME Charter: innovation, skills development and access to market and with regards to the progress achieved to date with regarding the alignment of technical regulations, standards and quality infrastructure (Council of the European Union, 2010, point, 70).

In 2009, the Commission reported that progress in the establishment of a free trade area (FTA) had been modest due to the application of ad hoc measures and arrangements, specifically with regards to the import of manufactured and agricultural products (European Commission, 2009, pp.12-3). In fact, as a result
of the Agadir Agreement, Egyptian customs should apply preferential tariffs to cumulative trade within the Agadir partners and the EU. As we will explore below, the issue of the FTA did not generate very positive reactions in Egypt, on the contrary. Related to the latter, the customs regime in Egypt was expected to have a complete overhaul starting from the reform of the 1963 custom law and in line with the implementation of Protocol 4 of the EMAA on rules of origins (Data set ACT 2008-1.3). By 2008, the new customs regime under the Egyptian Custom Authority (ECA) at the Ministry of Finance had undergone institutional reforms in the form of administrative decentralisation (three distinct and independent regions/administrations operating under the supervision of a Custom Commissioner) with the aim to reduce and simplify customs procedures. The reform also envisages a new organisational structure, separating executive and operational activities from legislative ones (Data set MR 2008-1). The aim of these reforms was to achieve a degree of administrative decentralisation in decision-making and management. From an Egyptian perspective, the rationale for the new customs law was to facilitate trade, promote transparency and be more business friendly. Moreover, since the signing of the EEAP in 2007, Egypt did apply the Harmonised System (HS) with EU support in the following areas: risk-based custom control, definition of standards for certifying operators, training and computerisation (European Commission, Annual report, p.9, 2008).

We could argue that in most of the sectors mentioned above, Egyptian efforts have been seen as positive and, at times, even commendable by Commission staff in Cairo. In terms of the liberalisation of trade, a genuine effort was made at the onset of the ENP in 2007 by Egypt to undertake regulatory reforms, in particular in the area of safety and standards and to harmonise with EU systems. In a number of areas such as SPS issues, standards and harmonisation of accreditation structures as well as in the promotion of the business environment, Egypt requested and obtained EU technical and financial assistance to modernise and upgrade these sectors. In the context of the promotion of neo-liberal norms and reforms therefore, we can say that EU efforts found little resistance since the Egyptian administration’s goals and
national plans were similar. To the credit of the Egyptian side, these reforms not only were aimed at legislative harmonisation but, as we have seen, a great deal of emphasis was placed on the decentralisation and simplification of administrative procedures and structures. Interestingly, with the advent of the ENP in 2007, we can also observe a new momentum on the Egyptian side in terms of initiatives, draft legislation, participation in multilateral structures and forums. Importantly, in 2007 Egypt and the EU entered in negotiations on a number of issues including the liberalisation of agriculture, services and ACAA. We could argue then that Egyptian political will to engage with the EU in reforms under this pillar was present. We could also add that Egypt took measures to try and meet the expectations for reforms outlined in the EEAP. However, despite the seemingly positive developments under this pillar, a number of issues remain problematic and have resulted in a negative reactions from the Egyptian administration. The following section will elaborate further on this point.

What are the limitations of EU efforts and strategy in Egypt?

The analysis of the trade pillar has pointed to a number of issues which could be described as problematic and challenging to cooperation, from both practical and structural perspectives. Despite an overall positive perception by Delegation staff of the implementation of the provisions of the EMAA, Egypt has often taken unilateral decisions in non-conformity with the agreement, measures that can be described as amounting to trade distortion measures. For example, the EU has publicly expressed concern over unilateral decisions taken by Egypt on export restrictions which have ignored provisions for notification and consultations with the EU outlined in Art. 17 and Art. 25 EMAA (Council of the European Union, 2010, point, 64, Data set SCM 2008-1.2). According to the ENP Annual Report 2008, Egypt banned exports of rice for a year between March 2008 and April 2009 as well as cement exports for six months in order to address shortages of these commodities in the national food and construction sectors (European Commission, 2009, p.12). According to Commission
documentation, these measures were justified by the Egyptian administration through reference to the severe instability in the country and shortage of certain commodities (and rising prices of commodities such as wheat) and, thus, by a need to secure local markets and guarantee social and political stability (Data set SCM 2008-1.2). Moreover, in January 2009 the Egyptian government imposed a duty of EGP 500 (approximately $80) per tonne on imports of white sugar in order to protect the local industry (European Commission, 2010, pp.10-11). Finally, in April of that same year Egypt re-established an export ban on cement and clinker, then extending the ban in July 2009 (ibid.).

These unilateral decisions and deviations from the provisions of the EMAA are telling in so far as they pose important questions with regards to the focus of this study. We could argue that these measures manifest non-conforming behaviour from the Egyptian administration, but do they also mean that the political will to reform is no longer there? As seen above, there is no doubt that the relevant administrations in Cairo have been very keen to implement the EMAA road-map and have done so with some degree of success according to the EU Delegation. However, it is clear that in time of need, Egyptian decision-makers have been more than willing to bend the rules in order to protect their national interests and domestic markets. In this context, the question to ask has to do with the way the Commission enforces the provisions outlined in the EMAA. According to a Commission official, such infringements are difficult to address bilaterally since there is no dispute-settlement mechanism for the EU to utilise and, as a result, no consequences that can be imposed (Personal communication N.25, 2009). The Commission in this context has limited powers to enforce the agreement beyond inviting and trying to persuade Egyptian counterparts to be more cooperative and more consultative.

Despite evidence of Egyptian political will to engage with the EU and initiate reforms, a major bottleneck has been the Egyptian legislative system and the lengthy procedures require for the adoption of new legislation. As a result, achievements in terms of legislative reforms have been perceived by EU officials at the Delegation as modest (Personal communication N.25, 2009).
This is a factor that affects cooperation horizontally. The important variable here is the degree of Egyptian political will. If Egyptian political will for reform in any particular sector is present at the highest level—ministerial or even higher—this will usually result in a quicker process of legislative approval, although often not a very transparent one. However, at times even the strongest political will cannot prevent the clogs of the Egyptian bureaucracy and the lengthy procedures from dramatically slowing the process. As a result, legislative reforms and hence approximation with the EU, is often a very slow and lengthy process.

In the sector of agriculture, cooperation between the EU and Egypt has also been characterised by a number of problems. Despite the signature of the agreement on liberalisation of trade in 2009 and related rhetoric, the agricultural sector has benefited from relatively limited financial support from the EU. The bulk of the financial allocation, in fact, has mainly focused on technical assistance in the form of Twinning and the promotion of access to finance for the sector through the NIF instrument. From an Egyptian perspective, we could argue that a number of issue-areas have emerged related to the failed application of the principle of comparative advantage. In fact, the food safety requirements limit Egypt’s agricultural sector’s potential for exports. Although it is true that Egyptian food and safety standards have been below European expectations, the application of the SPS system can also be seen as measure aimed at market protection and trade distortion.

Despite Egyptian willingness to enter into further negotiations on the free movement of services and capital, by April 2009 bilateral negotiations had manifested no progress whatsoever. The main obstacles that emerged were related to two issues: a) the inability to reach agreement on the establishment of viable dispute settlement mechanisms (DSM) and, b) on the component in the right of establishment related to the movement of people thus, extending the scope of the agreement to natural persons in the supply of services (MODE 4) (Data set ACT 2008-1.2). From Commission documentation it appears that
the main issues of contention were related to the free movement of people (MODE 4) (ibid.). Here, no progress was achieved because the Commission felt it had limited decision-making powers since the issue concerned member states’ interests and raised important questions related to security, migration and employment. Moreover, from a Commission perspective, this component is considered as falling outside the parameters of the EMAA (Personal communication, N.25, 2009). Again, it is interesting to observe that national interests—those of EU member states in this case—are once again prioritised over the provisions of cooperation that the EU itself has drafted and proposed.

In the context of the Agadir Agreement and the establishment of an FTA, real concerns were expressed by Delegation staff with regards to the political commitment of southern partners. For instance, in 2008 Egypt disputed and refused recognition of a Renault car model assembled in Morocco using components built in France. The Egyptian administration argued that the French company was attempting to avoid high tariffs by importing the product to Egypt through Morocco under the Agadir rules of origins and, thus, entering the market at zero tariff. The Egyptian refusal resulted in a similar action being taken by the Moroccan administration with regard to buses imported from Egypt in what can only be described as tit-for-tat diplomacy. Since the car industry is a sensitive sector in Egypt, the Renault arrangement with Morocco could have been perceived as threatening to Egyptian competition in the assembly sector. As a Commission official put it:

“[Egypt and Morocco] are playing a game rather than following the rules [...] creating obstacles or slowing the process is common activity” (Personal Communication N. 3, 2009).

Hence, the lack of political will by Southern partners to implement the agreement and the resulting dispute over the application of rules of origins, as well as the accumulation of rules of origins, seems to have created some conflicting interpretations and positions between partners (such as what per cent of a product has to be manufactured in designated locations in order to fall
under preferential tariff). Although the Commission provides financial support for the Agadir secretariat and its Technical Unit in Amman, Jordan (Personal Communication N.3, 2009), its role is often overlooked, if not by-passed, by the members. The Delegation in Cairo seems to have inadequate access to information and little knowledge about the pillars of the agreement or how the agreement should work. At the practical level therefore, Agadir remains a sensitive issue to tackle for the Commission (Personal Communication N. 3, 2009). The lack of active involvement and knowledge of the technical and practical issues at stake only add to the problems of enforcement faced by the Commission in this field. In a sense, we could argue that the Commission lacks the political weight in this regards and, therefore, the ability to influence partners’ behaviour. Essentially, its role seems to be limited to that of a facilitator.

**Conclusion**

Under the Trade pillar the EU strongly promotes the establishment of a regulatory and legislative environment that facilitates free trade with Egypt. Thus, the EU is promoting a specific ideology of economic organisation and practice, underpinned by neo-liberal principles. Cooperation and assistance in this sector often comes with benchmarks and objectives such as the dismantling of tariffs and the liberalisation of industrial and agricultural goods as well as approximation with EU standards, rules and norms. Trade can be considered as an area of offensive interest\(^\text{35}\) for Egypt and, generally, efforts towards liberalisation by Egypt have been seen in positive terms.

The analysis in this section has identified EU efforts at promoting legislation and practices aimed at the liberalisation of trade in general and more

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35 The term ‘Offensive interests’ refers to interests an actor may directly have as result of agreements or negotiations. For instance, gaining access to a market and/or trade facilitation can be seen as offensive interests. ‘Defensive interests’ on the other hand, refers to the interests to prevent costly and/or non-confirming behavior. For instance, the unfair competition an actor may face from within specific markets and/or trade agreements.
specifically, at improving the quality infrastructure. Moreover, the simplifications and decentralisation of decision-making and administrative structures have also been at the heart of these reforms. We can observe from the evidence above that Egyptian policy-makers have been very pro-active regarding this pillar, in particular at the onset of the ENP in 2007. Within the structural limits of its centralised system, it could be argued that Egypt had made concrete efforts to both reforms as well as to engage with the EU at a broader level and actively participate in the institutional structure and EU networks in the sector. At the same time, however, Egyptian policy makers often took decisions which clearly did not conform with various bilateral and international trade agreement. Despite these incidents, however, the Trade pillar can be said to manifest a high degree of shared understandings and has resulted in substantial cooperation across sub-sectors.

As we have seen, the capacity of the Commission to influence developments in this sector has been hampered by a number of issues. Firstly, the lack of an enforcing mechanism has relegated any efforts by the Commission in this regard to merely making statements of concern. The ability of the Commission to enforce some of the agreed legislation and regulation has been negligible. This is particularly true in the context of the FTA and with regards to trade-distorting measures applied by Egypt. Here, the Commission seems to be lacking both an enforcing mechanism and also the political will to take such action. In this context, an EU official at the Delegation described the EU as having “[A] hollow soft power due to the lack of a credible stick to utilise in the trade sector but also with Egypt overall” (Personal communication N.3, 2009). With regards to Egypt, the EU approach towards the implementation of the EMAA and the EEAP was described as soft, mainly due to the special status that the country holds for the EU and, more practically, due to the shortcomings caused by the nature of the Egyptian bureaucracy and administrative system (Personal communication N.25, 2009). Secondly, the centralised nature of the Egyptian state-structure has also resulted in the lack of efficiency in the implementation of many EU initiatives. This argument is particularly pertinent with regards to the slow and complex process of legislative formulation and
adoption, key aspects for harmonisation and approximation with the EU structures.

Looking at the pace and nature of reforms in this sector, we could argue that although much progress seems to have been achieved in terms of trade barriers, implementation of these rules remains weak (see unilateral decisions taken by EU and Egypt). The role of the Delegation here seems to have been limited to monitoring implementation of the EMAA and serving as a liaison with the relevant ministries. This evidence both supports a degree of genuine norms-adoption by the Egyptian administration with regards to certain sectors, but at the same time emphasises the resistance to and, thus, non-conformity in others. Additionally, it raises questions about whether norms adoption in areas where high costs of adaptation are present can actually be achieved without any enforcing mechanisms.

In terms of EU support in this sector, this has been limited to technical assistance (legislative harmonisation and institutional approximation). Interestingly, in agriculture, which is one of the offensive interests for Egypt, the level of financial support has been negligible. Theoretically, this point raises the question of self-interest and behaviour in international relations. The question is actually about the willingness of the Commission to apply the principles that it explicitly promotes. As we have noted above, concerns have been raised by the Egyptian side with regards to the non-application of the principle of comparative advantage in the agricultural sectors. Similarly, negotiations on the liberalisation of trade have been mainly hampered by the inability of the Commission to grant (or even negotiate) free movement of service providers (MODE 4) due to member states’ concerns. Here, the position of the Commission could be said to be one of protecting member states’ interests at the expense of the principles it actually promotes and thus, reflecting Realist explanation of international behaviour.
THE ANALYSIS OF THE SOCIO-ECONOMIC PILLAR

The socio-economic pillar of the EEAP will be conceptualised in this study as including both an economic and a social dimension of development cooperation. This section will firstly focus on economic development before focusing on social development and related micro-economic linkages. The aim of this pillar is defined as the ability to achieve a degree of sustainable socio-economic development:

“[W]ith a view to maintaining high economic growth capable of rising living standards and generating more jobs for Egypt’s rapidly growing labour force” (Council of the European Union, 2009, points, 69-70).

Economic development

The priority actions under the EEAP that will be focused upon in this section are: Economic development and Transport, Energy and Environment, Water. EU support under this pillar explicitly targets national reform plans and could be seen as being implemented most effectively in areas where clear mutual interests between stakeholders are identified. This section will attempt to identify such sectors and will argue that the choice of delivery instruments is crucial for attaining a degree of change and reform. This is true in terms of attaining broad ENP policy objectives but also with regards to changes in practices and procedures within the Egyptian administration. Of particular importance in this context is the section on infrastructure as it could be considered both as an area of cooperation manifesting mutual interests for the EU and Egypt but also as an area in which the EU assistance mechanisms have influenced domestic policy, polity and processes (see conceptualisation of Europeanisation by Börzel, theory chapter). For example, the signing of a

36 Actions in the EEAP include: a) improving macro-economic stability and growth and, promoting employment; b) reducing the inflation rate and gradually achieving price stability; c) complete preparation on a new monetary policy strategy and d) improve public finance management and progress transparency and accountability of government finances; e) improve efficiency of public services and accelerate and reduce public and judicial procedures; f) accelerate the reform of the financial sector; g) develop a commercial dispute settlement mechanisms (European Commission, 2007b, pp.21-3).
Memorandum of Understanding (MoU) between the EU and Egypt on Energy cooperation as well as the EU commitment to various supports for sector reforms in water, transport, education and health all point to an apparent political will to further cooperation in key sectors and the continuation of a specific delivery method. Moreover, energy efficiency and renewable energy sources are a new area of focus for EU support in Egypt, very relevant for the EU strategic approach with regards to the inclusion of cross-cutting issue (Dataset ACT 2008-1.5).

**In which area is the EU pushing for reforms/norms transfer?**

Economic development and reform in the EEAP will be conceptualised in its narrow definition. The agreed-upon priorities indicate interests and preferences of both actors but are also telling in terms what they show about the perceptions of the reforms needed to improve the performance of the Egyptian economy. In fact, following years of slow economic growth, efforts undertaken by the Ahmed Nazif government since 2005 translated into impressive economic growth, averaging 7.1 % of GDP in 2007 (European Commission, 2008, p.7). EU concern for the Egyptian economy was heightened by long-term factors such as food dependence (particularly with regards to wheat), a fast growing youth population and an increasingly indebted government, as well as the heavy subsidy system in place (European Commission, 2009, p.9). The integration and the growth of the Egyptian economy is a central aspect of the reform process under the EEAP, aimed primarily at changing and improving policy formulation, decision-making and administrative procedures. In this context, the improvement and reform of the public finance management (PFM) was seen as a priority by the EU:

“These reforms are necessary to improve debt sustainability and reduce the vulnerability to shocks. Improving the structure of public spending, by reducing the share of the government wage bill, interest and subsidies in total expenditures remains a priority. This will require gradually phasing out the energy and food
subsidies and replacing them by better targeted income support” (European Commission, 2008, p. 7).

The following section will focus on the sectors prioritised under this pillar of the EEAP. These are sectors that have benefited from substantial financial allocation under the ENPI, transport, energy and water. Importantly, this section will also focus on the application of delivery methods by explaining how they work in practice.

With regards to cooperation in the Transport sector, the EU has supported Egypt since 2008 through a sector policy-support programme (SBS) of €80 million (see AAP 2008). Under the programme, the Ministry of Transport is the direct beneficiary which co-monitors, with the Delegation, the achievement of conditions and benchmarks (outlined in the Financing Agreement and matrix) (ibid.). The programme has four components. Component one, institutional reforms and governance, focuses on relations between the Ministry of Transport and other ministries and the restructuring of the Ministry itself. Component two is aimed at the financial stability of the sector and focuses on the management of revenues generated in this sector. The aim is to transfer responsibilities from the Ministry of Finance (where they currently are lodged), to the Ministry of Transport in order to achieve more institutional transparency and decentralisation and, importantly, empower the latter in terms of budget, policy planning and evaluation (Personal communications, N.5 and N.9, 2009).

As outlined in chapter three, the promotion of sound public finance management is crucial under the SBS, which is aimed at a degree of institutional decentralisation and procedural reform in favour of line ministries. Component three aims to improve safety, security and environmental aspects through EU technical assistance and support. Finally, component four is about maritime multi-modality, essentially focusing on reforms in and the modernisation of the infrastructure and absorption capacity of the Egyptian port-system (Personal communication, N.5, 2009). The idea is for the Commission to support the development of a domestic multi-modal port system in order to enhance regional maritime links and, thus, Egypt’s ability to
re-export goods and work towards its ambition to become a regional hub (ibid.).

Through the explanation of the Transport programme we can clearly identify how the EU prioritises sectors and concentrates support in terms of compatible instruments and financial allocation. According to Delegation staff:

“[W]e are putting these as conditions for approval of the project by the Ministries of Finance and Economic Development. In the safety area Egypt already benefited from three Twinning programmes, maritime, railway and road safety […] the SBS project is in support of the continuation of what was done at the level of these three Twinning” (Personal communication, N.5, 2009).

The process of monitoring implementation of the Transport programme falls under the remit of the Delegation, but only insofar as the conditions drafted in the Financing Agreement and matrix are met. Formulation and endorsement of the matrix implies the agreement of a baseline monitoring system with the Ministry of Transport:

“[A] base-line monitoring system’ is a document that basically sets the baseline...where is the ministry now regarding the conditions, what they have done and so on...based on this monitoring system you then set what has to be achieved to reach the goals outlined [...]” (Personal communication, N.5, 2009).

Therefore, the base-line monitoring system allows for pre-conditions to be set and enhanced gradually. For example, one of the objectives is to establish an independent regulatory executive body for each transport mode. The first condition is thus a legal one, related to the legal and institutional framework for the establishment of a regulatory council. The second condition builds on the former and, accordingly, is concerned with interim structures, rules, tasks and responsibilities to be approved by the established council (Personal communication, N.5, 2009). Essentially, we could argue that the process of reform under the Transport SBS manifests an incremental logic, characterised
by an element of continuity and fluidity of objectives, making the various process and mechanisms related to SBS essential for an explanation in this regard. As we have seen elsewhere, non-fulfilment of these conditions results in the non-payment of the relevant tranche. The role of the Delegation here becomes a crucial one in terms of consultation with Egyptian counterparts and for setting realistic conditions and monitoring their attainment. Importantly, the role of the Commission in the above processes is also central for promoting policy-dialogue. As noted by Delegation staff in Cairo,

“[T]he strength of SBS is about raising awareness and enhancing the policy dialogue...the national dialogue around a specific question which is seen as important for the partner” (Personal Communication, N.5, 2009).

Finally, Egypt developed a comprehensive national transport Master Plan expected to start by the end of 2008 for the duration of 18 months. The Ministry of Trade was also engaged in the final stage of a detailed study entitled ‘The Study on Multimodal Transport and Logistics System of The Eastern Mediterranean Region and Master Plan in The Arab Republic of Egypt’ which covers all intercity transport modes as well as the multimodal transportation (Data set SCM 2008-3). As seen previously, the development of an overall sector strategy is an essential element for eligibility to SBS for the EU.

We could say that the EU adopted a concentrated approach in the transport sector whereby SBS has added complementary technical assistance instruments. The above analysis of the modalities and mechanisms of SBS point to a potential for EU-induced change to take place in the context of the conditionalities to be fulfilled, as well as through the quality of interaction in the context of sector dialogue. The mechanisms of positive conditionality and socialisation can also be said to be evident in the example above. Fulfilment of the matrix, in fact, is crucial for the attainment of payment (tranche), whereby failure to comply will result in no-payment. Likewise, we could argue that the concept of sector dialogue is a very important element for both actors to build
trust, exchange technical know-how and expertise which importantly, facilitate persuasion.

The Energy sector could be said to be one of the priorities of EEAP. Egypt is considered an asset for the EU in terms of energy security and access to natural gas resources. National reforms for the energy sector were articulated in Egypt’s energy strategy 2030\textsuperscript{37} (Data set SCM 2007-3). Overall, areas for cooperation in this sector include:

“[E]nergy strategy development; regulatory issues in the electricity and oil/gas sectors (through twinning); energy data bases/statistics; technology transfer and industry cooperation, renewable energy (twinning under consideration) and energy efficiency (e.g. exchanges on the EU’s proposal for an international energy framework agreement on energy efficiency; share experiences on regulatory policy and enforcement)” (Data set SCM 2007-3).

In this context, the key political document is the Memorandum of Understanding (MoU) on Strategic Partnership on Energy signed on December 2, 2008 (Council of the European Union, 2010, point, 75) (Data set SCM 2007-3). The MoU was formulated in the context of the priorities identified under the EEMA and the EEAP and identifies five specific areas for cooperation: 1) develop a comprehensive Egyptian energy strategy, 2) establish a work programme for the convergence of Egypt’s energy regulatory market with that of the EU, 3) develop a wide-range of joint policy-measure in the field of energy demand management, energy efficiency and renewable energy, 4) develop energy networks for the improvement of energy security both in Egypt and the EU and from the Mashreq region to the EU, 5) enhance technological, scientific and industrial cooperation (MoU, 2008, p.4). The attainment of these objectives

\textsuperscript{37} The 2030 Energy strategy aims to address the current and future plans for supply/demand for local and international markets and recommend future options; review current infrastructures for oil and gas production, transmission, treatment and distribution and recommend future infrastructure upgrade or new projects; analyse energy costs and pricing policy and draw recommendations on addressing the issue of subsidies; review private sector participation and recommend reforms to maximise its participation in sector developments; as well as review current energy export policies, assess related infrastructure needs and recommend future action to help enhance cooperation with EU (Data set SCM 2007-3).
envisions an intensified degree of interaction between the EU and the Egyptian administration at various levels, as well as various regulatory and legislative reforms. For example, the development of an Egyptian energy strategy comprises consultations and discussions with European and other relevant stakeholders over the formulation of the overall strategy and action plan, follow-up mechanisms and monitoring tools (ibid.). With regard to convergence with EU regulations in the energy market, these include regulatory reforms supported by Commission in the form of TAIEX for regulators and Twinnings for ministries (MoU, 2008, p.5). Development of policies related to energy efficiency and diversification imply the presence of the necessary institutional and legislative frameworks and, thus, reforms, in line with international standards and conventions. Whereas, with regards to energy security the emphasis of the MoU is on the reliability of transit structures (markets and pipelines), scientific and technological cooperation is envisaged through the transfer of European technology into the Egyptian energy sector and the exchange of expertise and practices (ibid., p.7). Therefore, the overall pillars of cooperation in the energy sector are: the interconnectedness of the sector between the North and South of the Mediterranean, the legislative and regulatory harmonisation of the sector with the EU system, the upgrade of the electricity network and, more emphasis on renewable energy (Personal communication, N.8, 2009).

We could argue that cooperation in this sector is seen as addressing EU interests as much as Egyptian ones and, therefore, prioritising ‘priorities’ within the EEAP. Egypt is thus seen as an asset both as a producing and as a transit country (Data set SCM 2008-3). From an Egyptian perspective, the administration in Cairo would like to see Egypt become a bridge connecting the Mashreq, Iraq, the Middle East, Africa and the EU (European Commission, Annuals report, p.18, 2009). In this context, Egypt has been an active partner in the Mashreq regional gas project and in the development process of the Trans-Mashreq. It could be argued that the reform energy sector is at the top of the Government’s agenda even though the implementation process faces a number of major challenges including sharply increasing international oil prices and
energy demand, the need to address energy subsidies while taking account of social aspects, the gradual opening up of markets including the enhancement of the regulation, energy efficiency, the development of renewable energy sources, as well as infrastructure development.

The Energy sector, therefore, is a priority for both the EU and Egypt. The approach for cooperation has also been a concentrated one, involving complementarity of assistance tools and enhanced sector dialogue. Shared interests in this sector are articulated very clearly through the objectives of the programme and there is clear evidence of political will in Cairo to harmonise legislation and collaborate with EU institutions without much resistance. In the context of this sector, the application of TAIEX and Twinning technical assistance is very appropriate as there is the space for the legislative and regulatory harmonisation within the regional and international institutional framework on energy. Once again, the efficiency of both instruments for the adoption of specific norms and rules cannot be underestimated, given that they are applied within the appropriate context for their function. Additionally, we could argue that the EU is very present at the level of sector dialogue and, to a degree, supportive of Egypt with the formulation of both strategy and policy.

In the context of Water, the sector has benefitted from EU support since 2005 and is regarded by EU practitioners at the Delegation in Cairo as success story. The Water sector has been targeted for assistance under the NIP 2007-2010 under two programmes: 1) Improved Water and Water Services Programme through a decentralised management method (project approach) for the amount of €29 million under co-financing procedures including the KfW, EIB, AFD and the Commission through the NIF (for a total of €129 million) (AAP 2008); 2) the Water Sector Reform Programme-Phase II (WSRP) with an allocation of €120 million phased in over two years (€80 million in 2010 and €40 million in 2011) and delivered through centralised management/SBS (AAP 2010).
Cooperation in the water sector in Egypt can be considered a clear priority for both actors and the amount allocated over time to the sector is testament to that. However, the important aspect under the Water programme is the selection of delivery methods. Phase II of the programme is delivered through standard SBS as outlined above and is the continuation of the SBS initiated in 2005. The Improved Water and Water Services Programme, on the other hand, is a combination of project approach with additional funds under co-financing procedures which fall under the NFI instrument. Co-financing is mainly undertaken by European financial institutions, in this case the EIB, KfW and AFD. The Commission also contributes with a portion of the funds in order to leverage the bulk of the funding which comes in the form of soft loans, unlike the rest of EU assistance under the ENP which is considered as a grant to the government of Egypt. The NIF is only applicable for large infrastructure programmes and has often been perceived by the Egyptian side in negative terms.

We could say, therefore, that in Egypt, the EU is promoting extensive technical reforms (legislative, regulatory, institutional) in three key sectors: transport, energy and water. The process of these reforms is aided and supported by ENP policy instruments such as SBS, TAIEX and Twinning, which hold the mechanisms for approximation and harmonisation, as well as providing the forum and technical levels of interaction and dialogue amongst technical and political counterparts.

**What is the response of the government of Egypt and what is the extent of political will manifested? What evidence is available?**

With regards to Economic development and reform, in 2008 Egypt worked to improve its fiscal stance by gradually reducing government debt (European Commission, Annual report, p.7, 2008). Soaring energy and food prices kept consumer price inflation high at 24% year-on-year in September 2008 which diminished the purchasing power of the population and affected low-income households the most. Despite soaring global commodity prices, the government deficit widened only slightly to 7.8% of GDP in the 2008 fiscal year.
and the purchasing-power decline continued. In the fiscal years 2008 and 2009 the government maintained its commitment to a budgetary deficit of between 6.8% and 7% of GDP (European Commission, Annual report, p.8, 2010). According to the Commission, in 2010 the Egyptian economy remained vulnerable and in particular fiscal sustainability was considered the most at stake (ibid.).

In the context of internal public finance management, the second report by the Transparency and Integrity Committee on Corruption in July 2008 highlighted the need for the identification of indicators in the process of financial control, considered as one of the principle aims of State budgetary policy (European Commission, 2009, p.15). In June 2009 the Ministry of Finance received an IMF mission to advise on fiscal decentralisation and recommend public finance management measures needed for the implementation of the process (European Commission, 2010, p.13). However, despite IMF, EU and WB advice on setting up an internal audit of public finance management and budgetary expenditure, at the time of writing this was yet to be put in place. The pace of reforms in this sector was reported as slow by the Commission (European Commission, 2010, p.13). In this context, we have seen the relevance of PFM for eligibility of SBS. It was noted above how the Commission has supported Egypt in this context, at times seemingly bending the rules by adopting a ‘dynamic’ interpretation of these criteria (see Chapter three).

In the transport sector, Egyptian priorities initially were aimed at separating the railway regulators from the operations: the overarching medium-term goal was the improvement of the safety record of the Egyptian National Railways (ENR) (Data set SCM 2007-3). As a result, a number of structural reforms about safety, customer service and freight transport were planned over three phases (restructuring, commercialisation and expansion) (Data set SCM 2008-3). The Egyptian reform of the railways also envisaged an upgrading of the railway network and the renewal of the rolling stock of the national rail—50% of the current stock needs to be modernised. The Egyptian Ministry of Transport, together with the Egyptian National Railways (ENR), is looking to the
privatisation of the sector in order to attract private investment for the modernisation process through Private Public Partnerships (PPP). From the time-frame above we could argue that the national strategy for the transport sector in Egypt also manifested a degree of dynamism and momentum, thanks to potential support pledged by the EU in the form of SBS, a national strategy being a key criteria for eligibility.

Egypt's primary Energy mix is 49% oil-based, 47% gas (but the share is increasing), 2% hydro, 1% coal, 1% others. 86% of electricity generation is fossil-based while the remaining 14% is mostly from hydro-origin (Data set SCM 2007-3). Oil and gas production in Egypt reached 74.5 million tons in 2006, of which 19.5 million tons were exported while oil exports represented $10.6 billion in 2006. From an Egyptian perspective, the rationale was to attract more FDI and therefore continue to upgrade upstream concession agreements. Egypt aimed to stabilise crude oil production despite declining trends due to aging wells and was also working on the modernisation of the refinery industry and the development of new industries (e.g. petrochemicals, fertilisers) (Data set SCM 2007-3).

Egypt also continues to develop its increasingly important gas sector, including for exports. Between 2000 and 2007 proven gas reserves increased by 50% over the previous 7 years, reaching 69.5 trillion cubic feet in March 2007. In terms of domestic developments in energy, these included a new draft gas law and legislation for the establishment of a gas and oil regulatory body. Also in 2008, the new draft Gas Act was being reviewed by the Higher Energy Council together with a Framework Act for the establishment of an Oil and Gas Regulator. In implementing any sectoral decision, Egypt would have to take full account of the social impact related to price increases since energy is heavily subsidised. In this context, one of the priority aims has been to lift subsidies for heavy energy consuming industries (Data set SCM 2008-3). Regionally, the completion of the Arab Gas Pipeline in 2008 was seen as a major development for Egyptian ambitions to act as an ‘energy hub’ in the region and, with regards to increased EU access to regional energy supplies since the pipeline will connect the region to the EU via Turkey (European Commission, 2010, p.16).
Agreement at the EU-Mashreq Ministerial Conference in April 2008, which marked the completion of the Arab Gas Pipeline, consisted of the following key developments:

“[T]he Ministers of Egypt, Lebanon, Jordan and Syria agreed to take steps to connect the pipeline to the European network. Gas exports to Jordan started through this pipe. Egypt pursued a strengthened role in the EC supported Euro-Mashreq gas master plan project, which contributes to developing a Euro Mediterranean natural gas market. It constructed domestic gas pipelines and studied interconnection possibilities with Gaza, Libya and Sudan. A pipeline to Israel was completed and Egypt started gas exports. Egypt has plans to expand Liquefied Natural Gas and refinery capacity” (European Commission, 2009, p. 18).

In the sector of Renewable energy in Egypt, energy efficiency and more use of renewable energy resources (wind, solar, biomass) are key priorities within a broad strategy to diversify the energy mix, reduce gas use for power production, improve electrification of isolated areas and, ensure the protection of the environment (Data set SCM 2007-3). With EU assistance, Egypt embarked on the promotion and use of renewable energy (Council of the European Union, 2008, point, 63). Importantly, Egypt pledged to create a sustainable institutional, legal and regulatory framework to create enabling conditions for large-scale investment in the renewable field (Data set SCM 2007-3). In this context, in April, 2007, the Supreme Council for Energy presented a long-term plan to meet 20% of electricity demand by renewable energy by 2020 (European Commission, Annual report, p. 14, 2008), the composition planned being 12% from wind energy and 8% from hydro. To this effect wind farms should be built by 2020. Enhancement of local manufacture and technology transfer in this field is also amongst the objectives of the national plan (Data set SCM 2007-3). In 2008 Egypt benefited from a substantial allocation of the Neighbourhood Investment Facility (NIF) for the wind farm at Gulf of El-Zeit (European Commission, Annual report, p. 18, 2009). The project fell under the NIP 2007-2010 (AAP 2010) with an allocation of €20
million from the EC plus €10 million from NIF, co-financed by the KfW (€191.5 million), the EIB (€50 million) and the Egyptian government (around €68.5 million), and delivered through a project approach/decentralised management (AF 2010, p. 15). Let us not forget that support in the way of the NIF implies large loans being provided at a competitive interest rate by European financial institutions and, thus, could be seen as an instrument able to promote European capital investment in the public sector.

What are the limitations of EU efforts and strategy in Egypt?

Overall, it could be argued that the limitations of the EU in the above sectors are mainly related to the applicability of SBS and its implications on EU-Egyptian relations. SBS remains a policy instrument that does not allow the EU to monitor the allocation of funds due to the principle of fungibility. Additionally, many doubts still remain over its effectiveness and over the strict application of SBS criteria in Egypt. In this regards the European Court of Auditors expressed strong criticism on the lack of transparency in public finance management and in relations to the Egyptian budget in general (ECA, 2013). This is quite a different position from most of the EU practitioner’s interview where SBS and the process of PFM was defined in optimistic terms and as gaining momentum. According to the ECA report on Egypt:

“According to Commission policy, the satisfactory overall implementation of PFM reform is a general condition for budget support. However, the Commission did not establish clear criteria in terms of annual reform milestones and benchmarks for monitoring and assessing what constituted an adequate pace of reform and continued to disburse budget support despite slow implementation of reforms” (2013, p.22).

Conclusion

In Egypt, SBS has gradually (and seemingly) become the favoured method of delivery for both actors. Here, processes and mechanisms associated with SBS
can be seen as increasing the opportunity for the EU to influence the Egyptian administration (at institutional, legislative, procedural levels) and introduce norms related to better governance, transparency and a more intensified and participatory policy dialogue. In this context, EU support for infrastructure and modernisation has focused on institutional, regulatory and legislative reforms that are supported through technical assistance and consultations aimed at enhancing the quality of policy-dialogue, externally with the EU as well as internally between the various national stakeholders. In the transport sector, for instance, the data collected from personal interviews with relevant staff show that the Commission seemed satisfied with the progress achieved up to 2010. In the area of road transport steps have been taken in order to establish a transparent regulatory framework for granting access and licences to road transport freight operators, in line with EU standards. There is little doubt that EU practitioners on the ground appreciate the influencing power of instruments such as SBS. One could argue that through the matrix the EU is able to apply technical conditionality on agreed-upon bench-marks and to feel itself part of consultations and sector dialogue for sector-strategy and sector-policy formulation.

With regards to the energy sector, one could argue that mutual interest means that the reform process is strongly supported at the political levels both in Cairo and in Brussels. In fact, Egypt requested an SBS in energy which was later formulated under the NIP 2007-2013 at €84 million under priority two (developing the competitiveness and productivity of the economy) (Personal communication, N.8, 2009). Finally, and with regards to the water sector, this has been represented by EU officials as a success story in Egypt. In fact, SBS in water was seen by EU practitioners as key in achieving the drafting of a sector strategy upon which to build further cooperation and reforms:

“[S]BS was related to the drafting of an Egyptian Master Plan for Water Supplies which is to define the current and future capital investment needs…. [T]his was a key document achieved through the conditionalities of the SBS in the water sector which has been going on for 3 years now, with a cost of €9 million and involving
27 different firms, plus a €3 million related programme focusing on Rural areas in the Delta and co-financed in part by the EC, KfW, the EIB and, in part by the Egyptian government. This Master Plan is seen as the basis for further sectoral cooperation ...so basically a conditionality.... [S]o we say [to Egypt], now you have it you have to use it and keep updating it [...]” (Personal communication, N.8, 2009).

Importantly, EU practitioners see themselves as able to influence reform through the mechanisms of SBS:

“[C]onditionalities in the water sector have worked.... [W]ithout our push it could have taken years.... [T]hey can be effective but it depends on the relevant Minister and political will.... [T]here are always difficulties with imposing conditionalities [...]” (Personal communication, N. 26, 2009).

In conclusion, we can say that economic cooperation in terms of infrastructure seems to have been positive during the period under study. Moreover, in several occasions the application of conditionalities through the mechanisms of SBS have resulted in sector change and transformation. The main reflection here would have to revert to the criteria for eligibility and for their dynamic interpretation which, it could be argued, relegate SBS to a political tool for cooperation rather than a technical one. Finally, it must also be noted that SBS for infrastructure projects (transport, energy and water) usually come with lending conditions from European institutions. Negotiations over the conditions of these soft loans have often been long and difficult, manifesting a dependency from the Egyptian side to proceed with public works.

**Social development and social affairs**

The main principles of cooperation under the pillar of social development and social affairs are to ensure sustainable economic development and, consequently, a better quality of life and more opportunities for all Egyptians.
As already mentioned, cooperation in social affairs is seen as directly linked to economic reforms aimed at achieving “sustainable socio-economic development [...] with a view to maintaining high economic growth capable of rising living standards and generating more jobs for Egypt’s rapidly growing labour force” (Association Council, 2009, points, 69-70).

**In which area is the EU pushing for reforms/norms transfer?**

The objectives for EU cooperation in this section of the EEAP target education, the social situation, employment and poverty reduction and public health. From the distribution of the financial allocation under the EEAP, we can note that Education and Health are two sectors that absorb most of the resources and that very little has in fact been allocated for other actions. Hence, the focus of the analysis will mainly rest on the former two sectors.

With regards to Education the objectives articulated in the EEAP aims to support the reform and upgrading of the education and training systems and work towards the convergence with EU and international standards and practices (Commission, 2007b, p.28). Under the NIP 2007-2010 EU assistance to Egypt in this sector has taken the form of an Education Sector Policy Support Programme (ESPSP) with a package of €120 million delivered through SBS (centralised management) (AAP 2007) and building on the previous Education SBS of 2005.

Actions focusing on the Health sector, on the other hand, aim at achieving universal access to health services for citizens. The method envisaged was to promote decentralisation (and liberalisation) of the health system. The Egyptian health strategy benefitted from EU support in the form of the Health Sector Reform Programme (HSRP), implemented by the Ministry of Health and Population and supported with a SBS € 88 million operation in 2006. The programme allowed the introduction of the “Family Health Model” (FHM) in 5 governorates and representing 10% of the total public primary health-care facilities. Moreover, efforts also targeted the upgrading of over 1000 family health Clinics by June 2006 and providing a basic Benefit Package to both
uninsured and insured segments of the population. Under the 2007-2010 NIP EU support in this sector has taken the form of the Health Sector Policy Support (HSPS) II with an allocation of €110 million delivered through centralised management/SBS (AAP 2009). The aim of this phase was to accompany the reform of the health sector in its short/medium and long term objectives (Data set SCM 2007-4). For example, in the case of one of the pilot projects the aims are as follows:

“In order to experiment and fine tune the new Universal Health Insurance Model, a pilot project is being implemented in Suez governorate. This new model: (1) merges all the public health purchaser entities into a sole public payer, (2) adopts a defined health package (3) uses an actuarial instrument to measure the fiscal sustainability of the system and (4) introduces a state subsidy mechanism to cover the expenses of the poor. Once fine tuned, this new model of health insurance model will be progressively rolled-out nationwide” (ibid.).

Sector cooperation with the EU included possibilities offered by the TAIEX and Twinning instruments. From an Egyptian perspective, interest was expressed for EC support in the areas of nursery and special care to the elderly as well as in the area of human resources and capacity building of medical doctors and nurses in addition to enhancing the possibility of developing trilateral cooperation between Egypt, EU and African countries in health field (Data set SCM 2007-4).

With regards to the social situation, suffice it to say that the main strategy adopted by the EU was to promote dialogue about poverty reduction through social dialogue and employment policies. As mentioned already, no funds were allocated to this sector in the period under study. Despite the needs in this area, the EU cooperation under this action remains almost absent and without any funding or strategic direction. Like other areas such as gender and environment, and poverty reduction remains a cross-cutting issue which, rhetorically at least, are always included in EU cooperation programmes. The only EU assistance for social development under the NIP 2007-2010 (ENPI)
was aimed at supporting rural development with an allocation of €10 million which was delivered through a project approach/decentralised management. The aims of the project were to improve overall living conditions in target areas by empowering local community-based associations and bodies (Personal communication, N.4, 2009).

With regards to the priority sectors mentioned above it is clear that the two large disbursements for Education and Health are clearly intended to promote change at the policy and legislative levels. As we have already seen, SBS implies the fulfilment of a matrix of conditionalities for the release of payments and, thus, the application of technical conditionality by the EU. Finally, and when looking at the project approach in the rural development project, we can clearly see how the aim is to empower the beneficiaries to take responsibility for the project and its outcomes. The decentralised modality of implementation does exactly that at the administrative level albeit with some EU support when needed. Finally, the project also promotes participatory approaches to decision-making and governance by attempting to involve the community and local authorities in domains that traditionally have been dominated by the centralised Egyptian bureaucracy.

**What is the response of the government of Egypt and what is the extent of political will manifested? What evidence is available?**

In the sector of Education and training, in 2007 Egypt was encouraged by the EU to implement the ongoing education reforms in line with the principles of the Bologna Declaration acknowledged as relevant for all Mediterranean partners at the Euro-Med Conference on higher Education and Scientific Research held Cairo in 2007 (Association Council, 2008, point, 68). The reforms aim at enhancing the capacity of institutions and organisations involved in quality assurance and training (Association Council, 2007, point, 62). The Tempus programme has also been instrumental in providing a platform for cooperation between Egyptian and EU universities through the participation in Erasmus Mundus. Moreover, through the programme Tempus IV the EU has committed itself to the supporting the development and modernisation of the
higher education system in Egypt (Association Council, 2008, points, 68-9). However, an OECD review of Egyptian higher education policy in 2010 concluded that this sector remains underdeveloped and unchanged (OECD, 2010). It adds that:

“Without a fundamental reform of the sector the country will face difficulties in improving its competitiveness in an increasingly knowledge-based world, in providing for a larger and more diverse student population, and in reducing social inequalities” (OECD, 2011).

This statement seems to undermine the achievements of the long-term assistance provided by the EU in this sector. In fact, education is seen by the EU staff at the Delegation as a key sector for the development of Egypt; a view that was not shared by HQ in Brussels in drafting of the latest NIP 2011-2013 (Personal communication, N.26, 2009). As it was noted by a Delegation official, the drafting of the NIP provides no guarantees with regards to continuity in the selection of a priority sector. Seen as having long-term objectives, the Delegation 'had to defend' continuity in the education sector while RELEX at the time (EEAS now) argued for shifting the allocation on the basis that it did not include elements of the acquis and that it represented only a small percentage on the national sector-budget, approximately 3-4% of the national education budget, thus meaning little leverage for the EU (Personal communication, N.26, 2009).

In the sector of Health, Egypt started a comprehensive sector reform in 1996 aimed at improving the managerial and administrative capacity of the Health Insurance Organisation (HIO) (Data set SCM 2009-4).

**What are the limitations of EU efforts and strategy in Egypt?**

The above section has attempted to provide yet another perspective in terms of EU support for socio-economic development. The main sector-objectives here are related to education, health and rural development. The section has also
touched on the structural challenges Egypt faces in terms of poverty reduction and, although this sector seems to be perceived by the EU as a priority for assistance receiving €298 million under the 2007-2010 NIP alone, that the actual allocation of funds paints a different picture. The two main interventions under SBS for Education and Health alone take €240 million. This could be seen as part of the EU strategic reasoning and rationale, aimed at a rapid and easy disbursement of the funds and at the same time based on a preference for working through SBS modalities in order to achieve tangible and substantial results in terms of sector legislation, policy and strategy (Personal communication, N.10, 2009). However, if we look at actual benefits to final citizen beneficiaries and at actual improvements of sectors on the ground, a number of questions naturally arise.

Clearly SBS raises important questions about the application of positive conditionality and about the issue of normative transfer. In terms of EU assistance, the analysis of the application of SBS and the project approach in this sector point to the degree of reform taking place at institutional, regulatory and legislative levels in terms of intuitional decentralisation and empowerment, participatory formulation and regulatory frameworks. The analysis also intended to focus on the processes underpinning the implementation of the policy. Thus, the study of this pillar aims to provide evidence for the argument that cooperation under the ENP is conducive to the process of EU-induced normative transfer and change. In this context, the mechanisms for normative transfer—involving socialisation and conditionality—are understood to operate under the application of delivery instruments such as technical assistance, SBS, Twinning and TAIEX and, to a lesser extent, in the project approach (PA). With regards to sector reforms, it seems that, overall, legislative and institutional reforms in Egypt are proceeding, albeit at their own pace and are almost always hampered by the bureaucracy and dense administrative structures. EU practitioners seem well aware of the limits of the Egyptian administration, to the point that their expectations fall quite below what ideally should be achieved and by when (e.g. see PFM criteria and dynamic interpretation, setting and agreeing benchmarks
and conditionalities). It seems that more emphasis is placed by practitioners on the process of cooperation itself than on the actual objectives achieved. This explains the attempt to bend the PFM criteria and make sure that Egypt remains eligible to SBS as well as the emphasis articulated in the interviews on the efficient application of the matrix, from formulation to implementation. Therefore, we could argue that although policy objectives seem to provide the reference for cooperation, the essence of this cooperation is to be found in the processes of interaction and related expectations.

One of the main challenges facing the EU in the above pillar has to be the sheer size of the needs, as compared with the funding available for allocation to Egypt. There is doubt that €200 million in support of education over a period of three years is a substantial indicator of the commitment of both the EU and Egypt on the sector. That said, the full amount equates to less than 3% of the annual budget for Education in Egypt (Personal communication, N.26, 2009). This disparity between needs and resources not only undermines what might be thought of as substantial financial commitments by the EU, but it also undermines and weakens the little leverage that a delivery tool such as SBS can have in Egypt (Personal communication, N.26, 2009). Combining these facts with a very slow process of legislative reforms, a difficult environment for the implementation of these reforms, and the highly centralised nature of the Egyptian administration raises the question of whether both Education and Health are two black holes, sectors where no matter the amount of funding allocated to them, the results of that investment could never be fruitful. However, this statement seems to undermine the achievements of the long-term assistance provided by the EU in this sector.

**Conclusion**

This section also identified two themes running through the analysis: a) a comprehensive approach to assistance adopted by the EU and comprising trade, development and economic development, and b) the utilisation of SBS as a preferred delivery method during the period under study. The comprehensive approach to assistance rests on the inter-connectedness of
sectors and sector-objectives and envisages assistance and reforms in trade, agriculture, social and economic development, infrastructure, as well as across institutions, legislation, procedures and practices. An important theme that emerges is the horizontal link between the various norms promoted by the EU including: economic development, trade and social development, as well as good governance, transparency, all thus, being aimed at procedural and institutional transformation and integration (see below).

The locus of this process has been identified in the delivery instruments and associated mechanisms. Of particular interest is the emphasis placed by the Commission on public finance management and rapid reformation of the subsidy system. In this context, the eligibility and application of SBS is directly linked and complementary to achieving reforms in this sector. Importantly, infrastructure has been recently characterised by an increased application of SBS (one per year). This seems to follow a strategic reasoning by the EU aimed at prioritising strategic sectors such as energy. As we have seen, through various delivery methods the EU is able to interact and influence change at various institutional levels and through various delivery mechanisms. SBS, technical assistance and sector dialogue can all be seen as essential components of the process of normative transfer, promoting both technical conditionality (matrix and bench-marks) and socialisation (administrative procedure and institutional learning, sector-dialogue). Importantly, we could also argue that through the application of local ownership, the EU is able to apply positive conditionality in its relations with Egypt. This is telling insofar as it provides evidence for the export of EU governance, practices and, some might argue, of EU power.

Although the above analysis has mainly focused on the mechanism for norms-transfer and technical reforms under the framework of the EEAP, this must not divert our attention for the broader discussion of the nature of the EU and its behaviour towards Egypt. The intent of this analysis was also to paint an overall picture of the nature of EU-Egyptian relations in this pillar and across sectors. We could argue that the EU promotes a high degree of liberalisation and decentralisation of the Egyptian state system, also aimed at the integration with
EU governance structures. As we have already seen, from a strategic perspective this is in line with EU interests and rationale as outlined in the ENP. In this context, we could argue that the EU strategy towards Egypt has recently shifted its focus of assistance to newly identified sectors such as environment, energy and political reforms (Personal communication, N.26, 2009).

From a theoretical perspective, motivations for such behaviour would be explained through the neo-realist paradigm of self-interested actions. Structural asymmetries and dependence identified in trade and economic relations give weight to this perspective. These are manifested in particular in the ad hoc loose application by the EU of the principles of comparative advantage in trade (see agriculture) and freedom of establishment (see MODE 4). That said, when we analyse the processes underpinning the ENP rather than merely relying on its stated objectives, we can safely conclude that the normative power paradigm is predominant, given the evidence for the ability of the EU to influence change. In this context, we must take into consideration Egyptian behaviour and its rationale.

We have already discussed the implication of certain policy instruments and their further implications for the application of positive conditionality by the EU. Conversely, we must not forget that implementation of reforms rests on political will by the various actors involved. From an Egyptian perspective, we can say that reforms of the trade system and the modernisation of the economy are identified as the main cooperation priorities. Here, the concept of political will is an essential element for cooperation. Political will is usually articulated at ministerial level but is not always reflected through implementation (Personal communications, N. 5, N.9 and N.10, 2009). Ministries are expected to lobby for new legislation and/or decrees in order to fulfil their commitments to relevant sector reforms and their responsibilities vis-à-vis EU cooperation. However, EU priorities are not always supported financially and do not always reflect Egyptian priorities:

“[T]he Commission is here to help reform the situation but we cannot support all of the AP... In some areas efforts have to made without any kind of assistance, it’s
about the reform of the country so in the interest of Egypt not the Commission....So maybe we need to focus on the high political priorities of the government and the EEAP is a plan about priorities, but there are priorities within priorities [...] (Personal communication, N.14, 2009).

As pointed out, maybe the EU should prioritise sector assistance based on the evidence of political will from the Egyptian side. SBS could be seen as crucial in this regard since the instrument is conceptualised by EU practitioners as an incentive for reform in itself, serving as an incentive to influence political will:

[F]or the neighbourhood and the neighbouring countries an SBS operation is a kind of incentive; it’s a contribution to the costs of reform...it’s about policies, an incentive to implement policies, to attract investment... and to create the legal and institutional framework that allows for such participation and so on [...] Although [SBS] will not solve the financial problems of the Ministry of Transport, financial support is delivered in such a manner that all stakeholders need to sit around the table and discuss ... [It] pressurises them to carry out the reform agenda... This is an incentive in itself...this is where we see the importance of SBS” (Personal communication, N.5, 2009).

From this perspective then, SBS can be defined as a political instrument. In fact, structural asymmetries and economic dependence are an influencing factor in explaining both EU an Egyptian behaviour. Finally, we could also note that the analysis of the socio-economic pillar points to the limits of the EEAP in prioritising actions for implementation.

**THE ANALYSIS OF THE POLITICAL PILLAR**

The essence of the political pillar in the EEAP can be found under the following chapter: ‘Enhanced political dialogue and reform’ (European Commission, 2007b, p.12). The areas of priority for action include: democracy and the rule of law, human rights and fundamental freedoms, co-operation on foreign and
security policy, combating terrorism, and non-proliferation of weapons of mass destruction. These priorities can be summarised as covering political dialogue and domestic reform, as well as political dialogue on regional and international issues.

The political pillar is different from the previous two due to the lack of a substantial cooperation programmes and thus, lack of funds. In fact, an allocation of 10% of the total amount of the 2007-2010 NIP was earmarked for programmes under democracy and human rights but only 22% of this modest amount had been spent by 2013 (ECA, 2013). This, however, is a subject that will covered below. Rather, the analysis will emphasize concepts of ‘dialogue’, ‘reforms’ and ‘communication’.

Political dialogue is explicitly mentioned in a number of actions in the EEAP (e.g. political affairs and cooperation, human rights, fundamental freedoms, democracy and regional affairs). For the purpose of this study, we will conceptualise political dialogue as taking place in within the institutional framework of the ENP, including organizations such as the Association Council, Association Committee and sector specific Sub-Committees, the latter also including what could be termed as technical dialogue. Based on these meetings at the various levels, actions are taken and the relation is systematically evaluated. That said, dialogue could be also conceptualised as constantly taking place between the EU and Egyptian administrations across sectors, be it in the context of programming, implementation, monitoring or the evaluation of the EEAP. In this context, the analysis of the concept of dialogue will focus on the language of formal communications and will elaborate on meanings implied and perceived. The concept of dialogue must be perceived as always having political connotations, including, for instance, discussions on topics such as human rights or energy sector reforms.

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38 Formal communications because it is in the context of the ENP institutional structure mentioned above, that ‘dialogue’ is formalised and minutes recorded.
Dialogue within the EU-Egypt Association Council involves the highest institutional level of dialogue under the ENP structure. Association Council statements record formal positions, shortcomings and/or progress achieved. The nature of the language used in this context can be considered as significant with regards to the intentions and policy preferences of the EU and Egypt. Essentially, minutes of these meetings can tell us the perceptions of the EU with regards to reform processes, adherence to EU norms, values and principles under the ENP, as well as Egyptian reactions to EU activities and proposals. The Association Committee and Sub-committee meetings are technical and detailed affairs where the various positions are discussed and negotiated, while formal Association Council statements are understood as diplomatic instruments used to convey a position or a message, to reinforce the legitimacy of a partner or to undermine it.

EU statements of the various EU-Egypt Association Councils from 2006 until 2010 will provide the main source of data here, complemented with the other primary and secondary data. The language used by the EU is very important as it can be seen as granting a degree of legitimacy to Egypt through praise and encouragement or, on the other hand, it can be perceived as patronizing and paternalistic when expressing concern over areas where lack of progress is perceived, for instance democratization and fundamental freedoms. Importantly, the Association Council also outlines areas or issues of potential conflict between the EU and Egypt.

Political reforms on the other hand, are never explicitly mentioned in the EEAP but rather implied:

“[to] Further develop measures to increase the capacity and the efficiency of the judiciary (including prisons) and access to justice” and/or “[to] support Egyptian government policies and programmes aiming at improving places of detention and prison conditions, especially the placement of minors” (European Commission, 2007b, p.12).
Reforms here can be conceptualised as comprising a number of issues including: the functioning of institutions, improving and protecting human rights and basic freedoms and, importantly, democratization. Considering the sensitivity of Egypt about its internal affairs, the term ‘support’ is often utilized by the EU to imply joint-ownership of the process and objectives.

**In which area is the EU pushing for reforms/norms transfer?**

Looking at the political chapter in the EEAP, the areas identified for priority actions are over-arching and include most sectors. As we have seen above, under this pillar the EU pursued a number of reforms in very sensitive areas, and seeks an open dialogue on those same issues. The actions identified under the political chapter of the EEAP include a broad list that combines some minor financial assistance for programs with a number of reforms (legislative and institutional) aimed at deeper and increased political cooperation and dialogue, on the most salient domestic and geo-political issues (Commission, 2007a, p.19). The EEAP states that the ENP has presented both the EU and Egypt with the opportunity to further develop their strategic partnership through an increasingly close and enhanced partnership envisaging an intensified political cooperation (Commission, 2007b, pp.1-2).

According to the literature analysed in previous chapters, the rationale and implementing logic of the ENP rests on the concept of shared values. The concept and role of shared values under this pillar should be seen as crucial and at the same time as problematic. The concept and definition of shared values in the EEAP includes concepts such as democracy, human rights, rule of law and good governance. These are values and norms that the EU sets as benchmarks for cooperation under the ENP and which are often perceived as offensive interests. However, it is obvious that cooperation in the political domain is a sensitive issue, particularly with a difficult partner such as Egypt. The statements of the Association Council do provide, to an extent, a glimpse of this evaluation process or, at least, EU perceptions of the matter.
The language of the Association Council in the 2006 (para, 12-16) statements refers to “alleged use of torture”, “the handing down of death sentences”, the “decision to delay the abolition of the state of emergency”. The statement is politically loaded with sentences such as “the EU calls on Egypt to take the necessary steps” with regards to the death penalty and torture and, “the EU urges Egypt to hold to undertakings made in 2005” regarding the emergency law. These issues were reiterated in the EU Association Council statements in 2007. The following year the EU expanded its statement on the emergency law, stating:

“[the EU] looked forward to the implementation of plans to end the state of emergency [and is] following with great interests developments concerning the new antiterrorism law which is expected to replace the emergency law before the current parliamentary session ends in July 2008” (Council of the European Union, 2008, p.4, para.11).

The issue of the new anti-terror law in Egypt has been one where the international community has placed much public pressure on the administration. Promises for new legislation failed to materialize. This produced strong international reactions, including from the EU, as High Representative Dame Catherine Ashton stated:

“I strongly encourage the government to speed up the steps needed for the adoption of an anti-terrorism law compliant with international human rights standards as soon as possible, noting the government’s commitment to this goal in the EU/Egypt Action plan and in other forums” (Catherine Ashton, 2010).

Other areas of concern articulated by the EU in the Association Council meetings have mainly been related to the restrictive nature of Egypt’s NGO Law which results in legal and administrative obstacles for CSOs to operate in the country, the arrest of journalists and bloggers (Council of the European Union, 2008). Moreover, following the local elections of 2008 the Association Council noted that:
“[T]he EU encourages the Egyptian authorities to review the electoral framework with a view to bring into line international standards, including the right to stand as candidate” (2008, p.4, para.9).

In the section on the relevance and importance of a flourishing civil society, the Association Council noted that the EU:

“[E]ncourages the Egyptian authorities to ensure that their legislation, notably the NGO law, conforms with international human rights standards concerning freedom of association” (Council of the European Union, 2008, p.5, para.13).

Staying within the themes of freedoms, the EU further called on Egypt to take more steps to improve the state of freedom of expression and press freedom in accordance with international standards and to abolish prison sentences for publication offences (ibid., p.5, para.14).

Beyond the domestic environment, the EEAP explicitly states that Egypt’s geographical position and strategic role is crucial for the EU in the region. Egypt is seen as contributing to regional stability and security:

“[T]he EU and partner countries should also work together on effective multilateralism, so as to reinforce global governance, strengthen coordination in combating security threats and address related development issues” (Commission, 2007b, p.4).

This priority manifests the international dimension of political dialogue and the promotion by the EU of an effort to work through multilateral frameworks and in pursuit of comprehensive security. Importantly, it also promotes specific norms, rules and practices related to cooperation on international and humanitarian law. Overall we could argue that promoting cooperation on regional issues, most notably in the MEPP, is in the interest of both Egypt and the. Not only does participation in the MEPP legitimise their respective regional and international role conceptions, but it also increases their respective
influence and thus, geo-strategic interests. The EU faces a number of security challenges both in terms of soft and hard security from the threat of terrorists and regional instability as a whole, to the specific circumstances of the MEPP where Brussels has been involved with an ESDP mission on the Rafah border (EU BAM)\textsuperscript{39}, although since 2007 the border has been closed and the mission put on hold.

For Egypt, keeping an influential and determining role in the region is not only in its national interest but also reflects national role conceptions of the local political elites despite a clear weakening in this role in recent decades (Personal Communication, N. 22, 2009). Since the advent of the Arab Spring, and maybe even before that, the MEPP seems to have evaporated, taking with it the one structure in which the EU could exert some influence. Considering the importance of Rafah, the role of Egypt in the MEPP remains particularly relevant. Peace in the Arab-Israeli conflict is interdependently linked to developments in the wider region and rests on a stable balance between the various regional actors. In this context the role of Egypt is central to the objectives of the EU. Cairo, in fact, has been directly involved and has immediate interest in contributing to a peaceful solution not only between Israel and the PA but also between Israel and Syria, Syria and Lebanon and particularly in having stable governments in Iraq and Sudan.

Moreover, increased international exposure can also be seen as a providing some degree of legitimacy to the Egyptian government itself. This was certainly the case under the Mubarak regime where Egypt's summitry and regional profile contributed to legitimise domestic political repression against its national terrorist threat. For instance, under the action of political dialogue the EEAP also envisages an increase in cooperation in combating terrorism. This priority was qualified in the document by stating that Egyptian national security considerations were to be taken into consideration (European Commission, 2007b, p.19). It could be argued for the Mubarak regime this also

\textsuperscript{39} The EU Border Assistance Mission was part of the Agreement on Movement and Access signed in 2005 between the Israeli government and the Palestinian Authority (Association Agreement 2006, para.24)
meant acknowledging the domestic-regional security nexus and, thus, the historical relationship between Hamas and the MB in Egypt. We can argue that such a sentence legitimises, to a degree, any potential repression of emerging political forces, Islamist and secular. It is no secret that the Egyptian government has been able to justify abuses of human rights and fundamental freedoms, as well as the obstruction of a transition to democracy by persuading the international community, and the EU in particular, that a democratic alternative to the regime would bring to power an Islamic political force that is hostile to the West, the MB. In this context, the priority of combating terrorism can also be seen as an instrument that enabled the Mubarak regime to maintain a grip on power.

We can summarise the above section by saying that the EU predominately attempts to promote political reforms in Egypt in the domains of democratisation, human rights, independence of the judiciary, and the rule of law, also classified in the EEAP as shared values. At the international and regional level, the EU promotes dialogue on a number of issues through diplomatic multilateralism and within the context of existing regimes (ENP, MEPP, UfM) in order to achieve comprehensive security. Despite the obvious tensions in areas of domestic political reforms, cooperation in the international and regional domain can be seen as characterized by mutual interests for both the credibility and legitimacy of the EU as well as Egypt and thus, highly thought by both actors.

What is the response of the government of Egypt and what is the extent of political will manifested? What evidence is available?

The reactions of the Egyptian administration with regards to the introduction of the ENP were less than positive. From personal communication with Egyptian and European policy-practitioners it emerged that the negotiations over the EEAP were long and difficult and primarily focused on the political chapter of the Action plan. The main issues revolved over some of the language and content in the political chapter.
According to a high-profile Egyptian official, one issue was the lack of consultation over the new policy and the seemingly changing nature of relations from ‘partners’ under the EMP, to ‘neighbours’ under the ENP. In his words, “You choose your partners but not your neighbours” (Personal Communication, N. 27, 2009). The change in terminology was, in fact, perceived as a downgrading of the relationship, rather than an upgrade. The Egyptian administration also worked on a number of points that needed clarification with regards to the Action Plan: 1) the EEAP appeared as ‘one-size-fits-all’ document and there was no specificity for the Egyptian context; 2) the Egyptian side insisted on the fact that any priority for action in the EEAP should be in line and reflect Egyptian national priorities. The Egyptian administration went a step further by trying to change the order of chapters to reflect socio-economic development as the first priority (instead of the political chapter), but they were not successful; 3) the ENP needed to be presented as complementary to the EMP and not as a new policy; 4) the term ‘reward’ in the ENP literature proved to be a difficult obstacle to resolve since it was perceived by the Egyptian side as patronising and implying conditionality. As stated by an Egyptian official, “We are not students that you are going to distribute rewards to us” (Personal Communication, N.27, 2009).

The perceptions of the ENP in Cairo were clearly negative and characterized by a sense that the policy would not satisfy Egyptian interests. According to another high level official in the Egyptian administration: “[T]he EU wanted to dictate their own priorities [in the Action Plan] and we cannot accept to be told what our priorities are” (Personal Communication, N. 20, 2009). Clearly the drafting of the EEAP and its adoption was not an easy task for the EU. Members of the Egyptian negotiating team felt, to a degree, as if they did not have an option on the content of the EEAP: “We tried to reach a compromise on the problems we identified here and there but it was not a real negotiation” (Personal Communication, N.7, 2009). The entire process of negotiations lasted around seven months and, like the EMAA beforehand, Egypt was again the last partner to sign the EEAP. Hence, we can say that the language and tone of the
document were the main issues of contention during the negotiations. As already mentioned, Egypt’s conception of its national role and image plays a crucial role in this regard, making its government a very sensitive and difficult one to deal with, in particular on issues related to political reforms.

From a European perspective, this reluctance, verging on suspicion, manifested by the Egyptian side was perceived as normal (Personal Communication, N.22, 2009), and therefore not to be of concern. According to an EU official at the Delegation in Cairo:

“Egypt looked at the ENP with some concern and huge amount of curiosity. They saw this as something coming out of the enlargement philosophy sold as a Euro-Mediterranean kind of annex [...] There was an awareness that it was inevitable, that [the EEAP] was not bilaterally conceived. It was conceived on one side of the Mediterranean and imposed, proposed as a kind of fait accompli by the EU, which is the way we normally do things in many areas” (ibid.).

According to EU officials, the main sticking point was not the language of the EEAP but rather the text of the mandate of the political sub-committee. Here, Egypt strongly negotiated to have discussions only over principles of human rights, but not over individual cases, e.g. the detention of journalists and or the closing down of NGOs, thus keeping the scope of the sub-committee generic (Personal Communication, N.22, 2009). Again, the issue of language in EU official documentation remains a very important sticking point in the ENP. In particular, the Annual ENP reports have regularly produced negative reactions from the Egyptian administration due to the tone and language used resulting, at times, in a sort of self-censorship from Brussels in order not to upset Cairo too much.

In the specific context of political dialogue, the EU welcomed in 2006 (Council of the European Union, 2006, para.5) the establishment of a sub-committee on political matters including human rights and democracy, international and regional issues. Within the context of democracy and human rights, the
statement notes that the EU “looks forward” to developing a dialogue on the above issues though the mechanisms of the sub-committees (ibid.). It is important to note that the simple fact that Egypt was willing to have a dialogue on political matters including democracy and human rights was seen as a success for the EU administration (Personal Communication, N.22, 2009). However, the quality and content of the political subcommittee remains questionable. From personal observations, it was noted that the political subcommittee is a very formal affair in which, rather than having an open dialogue on specific issues, both administrations tended to state their respective positions vis-à-vis international standards and very seldom did the discussion revolve around potential practical support and reforms.

At the onset of political dialogue the EU stated that:

“[I]t will seek to identify with the Egyptian authorities areas where it may provide practical support for the furthering of Egypt’s own reform measures in the area of human rights, individual rights, the judiciary, civil society and police procedures” (Council of the European Union, 2006, para.9).

In fact, far from intervening in legislative and procedural issues, the EU was only able to provide modest support to para-governmental bodies (Association Council, 2006, para. 10). The logic behind this approach was to have national bodies trickle funding to local CSOs. However, this method is contradictory in its essence since it implies that national bodies should support exactly those organisations that should provide checks and balances to the system and thus, that are critical of government. Moreover, without true legislative reforms, this funding tended to get dispersed within the system and/or not being fully utilised. As noted by a Delegation official:

“I always find that our allocations end up supporting the National Council for Human Rights, the National Council for Childhood and Motherhood, the National Council for Women, which is fine to a certain extent but it does not get to the core of the issue” (Personal Communication, N.22, 2009).
By 2007 the language used by the EU was more positive following the signature of the EEAP, noting that the latter signalled a:

“significant upgrading of our relations, and offers the prospect of enhanced cooperation in the political, economic and social spheres of our partnership” (Council of the European Union, 2007, para.1).

The Association Council (2007, para.2) also highlighted the commitment showed by Egypt towards the common shared values set out in the EEAP and to the implementation of the measures contained in the document (ibid., para.2). In this context and within the framework of the political sub-committee, the Association Council statement noted that “[S]pecial attention will be given to the promotion and upholding of these values” (ibid., para.7). Thus, the EU welcomed the readiness of the Egyptian Government to dialogue on human rights and democracy issues (ibid., para.8). As stated above, the issues were not so much about the adherence to these values but the extent to which Egypt was willing to act upon them.

By the fifth meeting of the Association Council in 2009, Egypt had proposed to ‘enhance relations’ with the EU. The proposal had been endorsed and an ad-hoc group established in this regard. The EU clarified the fact that the structure of the sub-committees would nevertheless remain central in examining the content and scope for enhancing relations (ibid., p.3, para.9). The ad-hoc group established for the purpose of exploring areas for enhanced relations had met for the first time in Cairo in July 2009 for preliminary discussions and in the context of the political sub-committee. In January 2010, Egypt submitted a revised version of the proposal for enhancing political dialogue, which included an element of intensified interaction between Egyptian and EU authorities at the highest levels. These included EU-Egyptian summits, meetings between the Egyptian Minister of Foreign Affairs and his EU counterpart and meetings between Egyptian Ministers and their counterparts among the Commissioners on a number of different themes. At the second meeting of the ad-hoc group in
February 2010, the EU responded positively to the Egyptian proposals (2010, para.6). In March 2010 the Egyptian side proposed to extend the enhanced relations in a number of other areas that went beyond political dialogue and included trade, economic relations, energy, science and technology cooperation, agriculture and higher education and culture. It is important to note that the EU has reiterated that although the ad-hoc group can propose ways and areas to enhance the relation, the main framework for the attainment of enhanced relations remains the ENP and the implementation of the AP: “[F]urther progress in areas related to human rights and democracy will be fundamental” (Association Council, 2010, para.8). The EU here was attempting to apply a degree of conditionality to the achievement of an enhanced relations status. Nevertheless, the first ad-hoc EU-Egypt Summit took place in Barcelona on June 6th, 2010 legitimising the status of enhanced relations (2010, para.10). This point can be seen as a political decision by EU decision-makers to order to appease their Egyptian counterparts. After all, enhanced relations was merely an issue of status whereby Egypt wanted to be at the same level with other EU partners such as Morocco and Israel. Interestingly, a number of EU practitioners, both at the Delegation and in Brussels, expressed disappointment at the decision to grant Egypt the enhanced status against the lack of progress in the field of political reforms. In fact, in all ENP Annual Reports the status of progress under the political pillar has been reported as lacking. From personal observation it must be noted that the decision to grant Egypt enhanced status under the ENP was a political one taken in Brussels, against the opinion of practitioners on the ground. The Egyptian side had attempted to monopolise the forum of the political sub-committee to lobby for the enhanced status despite having demonstrated very little will and commitment to initiate political reforms in the priority sectors identified in the Action Plan. As articulated in the ECA report of 2013:

“A key feature of the Association Agreement between the EU and Egypt is its insistence on the respect of democratic principles and fundamental rights. This reflects the EU’s long standing commitment to promoting human rights and democracy in its international relations as enshrined in article 21.1 of the Treaty
on the European Union. The main programme was beset by problems, many of which were due to the lack of commitment by the Egyptian Authorities” (ECA, 2013).

Hence, we could argue that the EU had failed on two grounds on the above issue. Firstly, by granting enhanced status against a lack of reforms in the political domain, the EU undermined its credibility and the modest leverage it might have in terms of conditionality. Secondly, the decision was one taken at a high level in Brussels against the best advice of practitioners on the ground. From a theoretical perspective this behaviour is clearly explained by Realist assumption of power- and interest-driven motives aimed at maintaining a degree of influence and political leverage, as opposed to adhering to the guiding principles and rationale of the policy. In fact, and as we have seen above, the Association Council repeatedly expressed ‘concern’ over the lack of progress in this area. One exception however, has been reforms in the field of women’s and children’s rights. Here the EU explicitly praised the government’s efforts in eradicating the practice of female genital mutilation (FGM) and defined the official banning of the practice as a major step (2008, p.6, para.17). The rights of women as well as the rights of children were two areas where the EU expressed praise with regards to the developments achieved by Egypt and particularly with regards to adoption of a new law protecting the rights of the child in 2008 (2009, p.5, para.21).

Hence, we can argue that the political pillar the ENP is attempting to promote a number of issues simultaneously. Shared values are central to the pillar, although the concept remains vague and difficult to quantify in reality. That said, the concept of shared values has opened a window of opportunity (for the EU mainly) to discuss issues related to human rights, democracy and rule of law with a partner like Egypt for the first time. This dialogue also has meant that much discussion and attention has been focused on the process of political reforms and, to an extent, Egyptian progress under the ENP has been monitored against these reforms and the objectives on the ENP. Additionally, the actions in the political pillar seem to reflect a comprehensive EU security
agenda in Egypt by linking regional security and dialogue to domestic reforms in the field of democratisation and human rights. We can safely say, however, that progress has been hard to identify under this pillar and that the Egyptian administration did not worry much about the language of concern expressed officially.

What are the limitations of EU efforts and strategy in Egypt?

The analysis of the political pillar points to a number of evident inconsistencies in terms of the EU approach to the sector. The question is what norms is the EU seeking/arguing to promote against as compared with what it actually is doing on the ground to support that process or, seems able to do. Moreover, the perception of the political pillar by the Egyptian administration can be said to be different (both in scope and content) from that of European personnel. Although the EU and Egypt have had a degree of success under the political chapter of the ENP (e.g. the signing of the EEAP, agreeing on initiating a dialogue on human rights and democratisation issues as well as on regional and geo-political issues, the situation and legal framework with regards to the role women and children in the country), this remains very modest. Some of the motives will be explored further below.

As we have noted above, much resistance was manifested by Cairo to the text of the EEAP and of the political sub-committee. This was due in part to the lack of understanding about the rationale for the policy and an element of surprise. In terms of the ENP policy structure, the Action Plan adds to an already much overloaded EU policy structure in the Mediterranean. In fact, a very large part of the implementation of the EEAP rests of the provisions of the EMAA and, to an extent, on the structure introduced by the EMP. This overload has proven confusing for many stakeholders in Egypt and even for some EU practitioners. This stems from the fact that not every Egyptian stakeholder is deeply aware of EU policies. The Ministry of Foreign Affairs and the Ministry of International Cooperation are the two Egyptian actors most familiar with EU policies and processes. Other than these, line ministries such as Agriculture, Education and
Health, just to name a few, have found the transition from EMP to the ENP difficult to adopt and even to understand. In fact, most Egyptian beneficiaries under the ENP were not fully aware of its institutional structure and policy objectives. Moreover, the newly introduced policy instruments of the ENP (SBS and technical assistance) were not fully understood due to the lack of knowledge about EU processes and procedures.

More importantly maybe, a high degree of concern existed about the political dimension in the ENP which was something new in relations with the EU. As one Egyptian practitioner noted: “[W]e had just ratified the EMAA and were surprised by the new policy considering that the last one [EMP] had not even been implemented” (Personal Communication, N.22, 2009). The confusion over the policy seemed to have generated a degree of suspicion amongst some Egyptian officials: “[A]t the time of the negotiations on the EMAA we did not know that it would be followed by an Action Plan [...] I am not sure if the European side knew this all along” (Personal Communication, N.7, 2009). The fact that the EU side did not know about the ENP at the time of the EMAA is irrelevant, since what matters here is the perception of the Egyptian administration that this was the case. We can safely say, then, that the Egyptian side felt cornered with regards to the political dimension of the policy and had to fight line-by-line and negotiate extensively to arrive at an acceptable deal. From their perspective and interest, trade liberalisation in industrial goods and agriculture was the priority. Political reform was not what Cairo wanted. From the extent of the negotiations over the political pillar of the ENP and the terms of reference for the political sub-committee, it seems safe to argue that from an Egyptian perspective the ENP was imposed by the EU, rather than being an initiative which took place through a participatory and consultative process. As was noted above, the Egyptian side had no option to de-couple the economic from the political and thus, tried to protect its position by negotiating every single point in the EEAP.

As we have seen, the concept of shared values is also problematic in its definition and understanding. The term ‘shared values’ has been overly used in the official literature of the ENP without having been really defined in terms of
the partner states, i.e. what do shared values mean for EU and Egyptian practitioners? The Association Council (2007, para.2) highlighted the fact that Egypt was committed to “common shared values” and added that special attention was to be given to the promotion and upholding of these values (ibid., para.7). What does this mean exactly? If we take the Commission’s definition, shared values include: “[D]emocracy, the respect of human rights and the rule of law, as set out within the EU in the Charter of Fundamental Rights” (2003, p. 4). These three concepts imply a very long and complex reform process and one which is very difficult to monitor. As noted by an EU official at the Delegation in Cairo:

“It is very difficult for us to say whether they (Egypt) share these values or not. Our line of thinking is that they have signed international conventions or they pledged internationally to obey by those values […] and so we believe that yes, basically they are shared because Egypt has on its own decided to sign these international conventions” (Personal Communication, N.1, 2008).

In this regard, the role of the EU Delegation is to monitor progress and report on “[E]ach single bullet point in the Action Plan” (ibid.). Even from a European perspective this could seem rather ambitious and not in line with Egyptian expectations. In fact, the lack of agreement of what adherence to shared values really implies weakens substantially the monitoring and evaluation process by the EU in this regard.

The issues of how the EU monitors and evaluates progress under the ENP is an interesting one, particularly with regard to the political pillar. Let us start by clarifying that the EU Delegation in Cairo produces four reports per year: three quarterly reports for internal purposes and one annual report that is a public document. The Political section at the EU Delegation takes the lead in that process. The section drafts the entire political chapter and then asks the different sections (Social, Trade and Economic) for inputs on progress as measured against the priorities set in the EEAP. Finally, the integration process is undertaken by the Political Section. The annual report then is sent to Brussels
(EEAS) for editing, which includes adjusting the language and tone before it is published. The Egyptian side is not consulted on any draft of the report and can access it only after publication.

During my time at the Delegation between 2008 and 2009 I was responsible for the drafting of the ENP report. Although the internal guidelines on the reporting process available at the time have since been updated, they then stated that the report should only provide facts and offer objective measurements against the benchmarks set in the Action Plan. The guidelines did not specifically mention any indicator to use in this regard, but rather called only for observations of progress achieved against new legislation and new institutions established. The first challenge here was to identify the existing legislation in a vast number of areas (terrorism, civil society law, electoral law, women’s law, child law, etc.) and to investigate the changes achieved or the progress attained at that time, if any. The EU Delegation at the time did not, however, develop a structured database of such legislation or baseline data to start from. Following consultations with Delegation colleagues on the methodology in this regard, I was told to collect material from various sources. For instance, with regard to human rights, references were to be found in publications and press releases by various NGOs, meetings with CSOs and information in the public domain (newspapers and interviews). Regarding more formal areas such as rule of law, good governance and political reforms, ad hoc meetings with relevant Egyptian counterparts provided the data required for the report (in essence these were meetings minutes).

A number of problems and challenges can be identified in this process. Firstly, identifying the status of a piece of legislation was not such an easy task. For instance, the EU Delegation was aware that a new NGO law and an anti-terror law had been drafted, but we did not know whether the legislation had been presented to parliament and, if so, what the outcome was. This problem could be applied to the entire Egyptian legislative process since there was no clear channel of communication or focal point to be able to inform the Delegation on the status of the various laws. When deadlines were approaching, we often directly called high-level civil servants in relevant ministries or even organised
ad hoc meetings in order to obtain clarifications and information regarding any particular law. In this context, results were usually mixed: we left the meeting either more confused than before or without any substantial information. Hence, we could say that the process of data collection and understanding of the context and steps involved with regard to legislative reforms was often lacking at the EU Delegation level. The result was that the report was either vague on issues about which we lacked information, or the issues were simply not included.

Secondly, and at the internal level, not all sections would report thoroughly on developments in their respective sectors. This was due to a number of reasons. New staff lacking the institutional memory of that sector would not be able to contribute with valuable inputs; in fact, all they could do was to report on developments reported in the previous report. Some members of staff would only report the achievements and superficially allude to the challenges. The reason for that, in my opinion, was that Delegation staff wanted not to upset their Egyptian counterparts once the report had been published.

Once we had an entire first draft of the report, this would be shared with all Heads of Section at the Delegation (Political, Social, Economic and Trade) for final inputs and amendments.

The political pillar being the most sensitive would receive a great deal of attention before being sent to Brussels. Once the report was in Brussels, the Desk Officer there would normally ask for clarifications and additional inputs on various points. Following the first draft, the Egypt Desk Officer at HQ in Brussels was responsible for the final version for publication. At the time we faced real challenges in obtaining information to address the ‘knowledge gaps’ in our report. According to one Delegation official, this was the normal procedure and a problem that the Delegation had faced regularly.

With regard to the political chapter in the report, numerous highly confidential exchanges of communication took place and a lot of work went into adjusting the political tone and language of the report. As the deadline for the report approached, the exchanges with Brussels about the political chapter became more frequent. The EU Delegation intended to be transparent and frank on the level of progress achieved and ‘to tell it as it is’. However, the message coming
back from Brussels was quite different, with much emphasis placed on trying to have a final document that was not too opinionated. The final step in the process was for the EU Delegation Ambassador to discuss the document with high-profile decision-makers in Brussels, including the Regional Director and the Commissioner.

The interesting point here is that despite the ‘soft nature’ of the report the EU Delegation was eventually criticised by both CSOs and the Egyptian government. The EU received both formal letters of condemnation about the soft language and stance adopted in the report from CSOs, as well as direct accusations of collusion with the government. The usual line of defense for the EU Delegation was that the EU and Egypt were partners and that the document was ultimately a diplomatic document, so it had to be drafted in that spirit. With regard to the Egyptian government, the reaction of the Ministry of Foreign Affairs was particularly strong. I recall receiving a phone call from a high official at the MFA hours after the report had been published expressing disappointment and concern over the language in the document. The Egyptian official noted that that the report was not what he had expected and that the tone of language was judgmental. In his opinion, the report was not a reflection of the progress made against the priorities set in the Action Plan, but rather an overall evaluation of the political situation in Egypt. The issue of the language in the report was something that kept coming up at every opportunity Egypt had. Prior to any important meeting being on programming or regional matters, the Egyptian side would make it known that were not happy with the document and that the Commission did not have the right to express itself in this way.

In fact, on the issue of political reforms in the field of democracy, human rights, good governance and so on, the Egyptian side has often referred not only to unrealistic expectations from Brussels on what could be achieved in Egypt and at what pace, but also to a dogmatic approach by the EU on human rights. There is no doubt that the shortcomings in this area are many and the EU has systematically expressed concern in this regard. However, and as an Egyptian official noted:
“[W]e understand the worries of the EU thinking that they are the tutors of democracy in the world [...] we know that we are coming from a background of a socialist country and are moving towards democracy [...] we have our program for democracy and human rights and we will do that through the correct path without de-stabilizing Egypt [...] we have many de-stabilizing factors in Egypt and we don’t want to lose our country, we don’t want a third revolution” (Personal Communication, N. 20, 2009).

This statement is very telling, considering the events of January 2011, and reflects a very genuine concern by the Egyptian administration at that time that the EU road-map for political reforms under the ENP was ambitious and, to an extent, also dangerous. Interestingly, this view was also shared by a high profile official at the EU Delegation. As noted in one of the interviews in 2009:

“Human rights is a big obsession of the political pillar of the ENP [...] Swedish human rights standards cannot be applied in Egypt. I would not impose something they don’t like [...] one thing is to talk about human rights and another is to spend tax payer’s money. Problems [of cooperation in Egypt] are associated with political will and absorption capacity and sometimes, by Taliban human rights [...] My priority is to spend money in the best way [...] political priorities are too idealistic at times against the reality on the ground” (Personal Communication, N.26, 2009).

We can argue then that in addition to a different understanding of the concept of shared values there is also an expectation-gap in the field of political reforms. From the EU side, expectations are high and the monitoring process does not differentiate enough between what is practically possible and what is not (this will be covered more extensively in the next section). From an Egyptian perspective, we could argue that there was a feeling that a reform road-map had been dictated without a real understanding of the domestic context. Moreover, the high expectations against the actual timeframe needed on the
ground to formulate and implement those reforms were miles apart. As one Egyptian official noted:

“The EU sometimes forgets that it [the Union] was not built over night. You [the EU] did not harmonize all your legislation in ten years, it took you fifty or sixty years and it will take us maybe that much [...] You have to remember that we have behind us a history of 7,000 years [...] to you ten years is not much, to us ten years is ten years” (Personal Communication, N. 7, 2009).

We can say that beyond the systematically strong language from the EU, very little has actually been done either to support the process or, importantly, to sanction the lack of it. On the contrary, despite the rhetoric, Egypt was granted advanced status without really demonstrating any progress under the pillar. The EU itself has also been unable to articulate clearly how it would support the reform process in Egypt. Instead, it has been setting unrealistic goals and standards and in doing so, undermining to an extent the true meaning of these reforms. A quote by an Egyptian official is very telling in this regards:

“You see, you [the EU] have to decide what you want. You want stability or you want ideal democracy? You want to try to achieve 100% democracy but you will not be satisfied” (Personal Communication, N.7, 2009).

As with regards to political dialogue and interaction in the political subcommittee, it could be said that the structure has been perceived positively by both actors, even though for different reasons. From an EU perspective the political sub-committee has been able to structure dialogue and the relationship in general, emphasizing, to an extent, the link between political and socio-economic cooperation in the partnership, and has been perceived as a measure to build trust between actors. In this context we can say that the concept of conditionality has been more of an EU concern and not at all for the Egyptian side. The latter, in fact, expressed a total rejection of the concept in all formal communications and in personal communication as well. As an EU official noted:
“[E]gypt has a very singular, rather stubborn approach to all those issues [political dialogue], so when it engages with us is not really from the perspective of trying to bring about change” (Personal Communication, N.22, 2009).

For the Egyptian side the political sub-committee has been seen as an opportunity to enhance relations with the EU and for cementing Cairo’s role in a number of issues related to regional geo-politics. From personal observations, the political sub-committee has been utilised by the Egyptian administration to cement its regional position vis-à-vis Israel and Morocco and to maintain its role as a broker in the Arab-Israeli peace process. The centrality of Egypt in Arab affairs at the time and the central role of the Arab League have all been a priority for discussion in the subcommittees. Hence, we could argue that although dialogue did take place in a structured and systematic manner, the objective of this dialogue has been different for both actors. Egypt has systematically attempted to enhance its status with the EU vis-à-vis other ENP partners, reflecting its geo-political interests, while for the EU the issues of concern (such as shared values) have been difficult to openly discuss and approach. As noted by an EU official:

“Political dialogue has always been a bit stylized so it’s always going to be presentational [...] now whether this constitute dialogue or not is for the observer to judge” (Personal Communication, N. 22, 2009).

**Conclusion**

The analysis of the political pillar above has shown the extent of divergent views and expectations both actors have with regards to political reforms and the nature of political dialogue in that context. The outcome of the analysis has pointed to a highly difficult area for the EU to operate in, both in terms of cooperation and dialogue as well as in terms of attaining change. Maybe the most positive result of the process during the period of interest for this study
has been the willingness (to an extent) of the Egyptian administration to discuss with the EU issues related to democracy and human rights. However, we have seen how these discussions have been hollow, lacking substance and real political will to address problems. Nevertheless, the Egyptian willingness to sit with its European partners and approach such issues has been seen as a major step forward for EU practitioners.

Overall, the lack of political will from the Egyptian side to undertake political reforms can be seen as the main obstacle to the attainment of the political reforms and related objectives in the ENP. That said, Egyptian practitioners have been very willing to discuss regional geo-political issues and, in particular, have pressed the EU to upgrade the status of their relationship, one that reflects their perceived role in the region and that does not lessen Cairo’s status vis-à-vis other major players. Egypt’s interests under this pillar have always been geo-political, aiming at legitimising Cairo’s role as a broker in the Arab-Israeli issue and at confirming its political weight in regional affairs. We could also argue that it was in the EU’s interest to have such an influential ally as Mubarak in the region in order to add credibility and to legitimise the Union’s role in regional affairs. The link between the regional/international and the domestic is quite important in this context. Through the ENP, Europe has been pushing for political reforms and the democratisation of the Egyptian political system. Simultaneously however, the EU has welcomed, if not encouraged, Egypt’s role as a broker in the region and has supported Cairo’s efforts and narrative on international terrorism. The Mubarak regime, in fact, has systematically used the argument of Islamic terrorism to justify the lack of political reforms in Egypt, the repressive measures adopted by internal security services against members of the MB and, in particular, for the need to maintain such draconian legislation as the emergency law and the NGO law.

Hence, we could argue that the ENP objectives for political reforms in Egypt are hard to attain. The section above has in fact demonstrated how negatively Egyptian practitioners perceived political reforms and political liberalisation in Egypt. To an extent, the lack of Egyptian identification with the political pillar...
can be seen as one inherent weakness of the ENP. The second weakness is related to EU policy preferences and rationale for political reforms. There is no doubt that, in Brussels, European policy makers would like to see a degree of political pluralism and liberalisation of the Egyptian system. However, and as repeatedly stated by Mubarak, this would only lead to the rise of the MB. This could be said to have been borne out in the post 2011 period, when an Islamist government that was even more distant from European values took office. In essence, we could say that the EU objectives of political reforms and democratisation in Egypt are inherently contradictory to those related to security and stability in the region. This dilemma seems to be well acknowledged at the level of practitioners at the Delegation and it seems, in Brussels as well.
CONCLUSION

The study of the ENP in Egypt has proven a complex and difficult exercise. The complexity of the challenge has two main sources. Firstly, the all-encompassing nature of the policy in terms of its coverage and secondly, the numerous layers of interaction, actors and structures that characterise the various policy cycles. Throughout this study Egypt has been represented as a challenging and difficult partner for the EU. This is partly due to the national role conception and regional legacy of the Egyptian administration. The challenge of Egypt also stems from the nature of the domestic system and the limited space in which EU norms are promoted. Evaluating the implementation of the ENP in Egypt in its entirety is a mammoth task. On paper at least, the Action Plan can be compared to a comprehensive reform programme for partner states. In the case-study of Egypt therefore, this study has focused the analysis only on sectors identified as priority sectors in terms of EU engagement and funding allocations. Finally and most importantly, it has not been easy to address the subtle frictions that underline cooperation in this context, either at technical or political levels.

The main questions addressed in this study were concerned with explanation of EU behaviour and with the nature of EU power in the context of the ENP in Egypt. Evidence collected have demonstrated that the application of the normative power thesis does not fit the reality on the ground. The normative power thesis has found strong supporting evidence in ENP official documentations and public speeches by EU leaders and therefore, in the articulation of the formulation cycle alone. Focusing the analysis on the implementation and monitoring cycles has provided alternative explanations for EU behaviour in this context. With regards to the nature of EU power, this study has demonstrated that the ENP holds the instruments for the promotion of norm transfer and thus, the potential to induce change in third countries. The study of delivery methods has supported the hypothesis that that normative transfer under the ENP can be identified. It is these processes and mechanisms, and through the application of socialisation and conditionality, that hold the
answer to the extent and quality of EU-induced transformation and change in Egypt.

However, the successful implementation of these instruments has been different across sectors. For instance, in the trade and economic pillars this study has found strong evidence of norms adoption by the Egyptian side. This can be explained by the presence of shared interest in these sectors and by a shared understanding of the values promoted. Consequently, Egyptian political will to undertake a specific path of reforms in this sector was identified. In the political pillar however, the promotion of values such democracy, human right and good governance have met strong resistance. Here, the evidence collected confirmed the lack of shared understandings on the aims of the political pillar and confirmed the lack of political will by the Egyptian side. Interestingly, the inability or unwillingness by the EU to exert any political conditionality in this regard, i.e. apply negative sanctions towards Egypt, raises important questions with regards to EU motives and the challenges faced.

It is important to note that regarding the methodology, the ethnographic approach adopted and emphasizing the reflexivity of the researcher has added particular value to this study. Despite being firmly rooted in an International Relation tradition, this study has benefitted and added depth and value to the analysis by resting on an anthropological approach. The dual role of the researcher has gradually become more central to the analysis and less of a dilemma to be dealt with. In fact, by fostering the sort of reflexivity advocated by Bourdieu (2003), it is exactly the researcher perspective that becomes all the more important. In particular, it is the interests of the researcher, his or her’s academic background, cognitive factors and personal and professional experience with the subject matter that ultimately influence the analysis (ibid., p.4). All of the above, combine to provide insightful observations on specific subject matter. According to Bourdieu:
“Nothing is more false, in my view, that the maxim almost universally accepted in the social sciences according to which a researcher must put nothing of himself into his research” (Bourdieu: 1996 quoted in Bourdieu 2003, p. 7).

In this regard, it is my personal experience and knowledge of Egypt, the culture and the strong identification that I have with the country that has informed much of my interviews and logic of enquiry.

This concluding chapter will start by highlighting the theoretical contributions offered and then turn to the series of empirical arguments advanced. Finally, the conclusion will propose potentially areas for further research and analysis.

**Theoretical contribution**

Theoretically, this study has demonstrated that one explanation does not suffice to account for the ENP in its entirety. No grand theory or one proposition alone can account for explanations in the policy cycles from formulation to implementation and monitoring. Policy cycles and motivation are crucial factors for the evaluation of EU international behaviour and hence, theoretical explanations on the subject matter have taken different forms. The application of an eclectic theoretical framework has been useful for accommodating these differences and divergence.

This study has challenged the conventional explanation of the ENP as an instrument of EU normative power. It has demonstrated that different theories best explain the ENP at difference phases of the policy cycle and importantly, within different sectors. This has implied that EU behaviour is highly sector-sensitive and differentiated. From an International Relations perspective, the EU can be said to behave in a prescriptive and normative manner predominantly in the formulation cycle. The formulation process can be theorised as the articulation and projection of European values, ideas, principles and practices at the external and regional level and through official
policy documents. Here the concepts of ‘soft’ and ‘normative’ power in foreign policy can be applied to the ENP and to the definition of EU external behaviour. From this perspective, values and identity are understood to be the shaping force and a constituent part of EU foreign policy and external relations.

Focusing on the policy application in practice however, alternative explanations emerge. This study has demonstrated how little leverage the EU holds against a partner like Egypt on issues of democratisation, human rights, fundamental freedoms and good governance. These are fundamental EU values which are projected through the ENP and presented in official literature as the basis for bilateral relations. The relevance of these values for the EU can be said to be enshrined in Article 2 of the EU-Egyptian Association Agreement which to date, has yet to be applied.

According to this study, the lack of political will by the Egyptian administration to engage in a process of political reforms under the ENP has been coupled with the (apparent) unwillingness and/or inability of the EU to exert any leverage and/or conditionality in this area. In particular, this study has confirmed that the EU and Egypt manifest a divergent understanding of the political pillar and of the meaning of its main objectives. In the context of political reforms the efforts of the ENP have been negligent and without any consequences incurred. We could argue that failure to exercise negative conditionality (stick) in the political sector, while simultaneously upgrading Egypt’s status and continuing to provide support in the trade and economic sectors (carrot), can be seen as an attempt not to shake the fragile foundations of perceived political stability in order to maintain the status quo. One could argue that EU political elites could not sustain the political costs of alienating and eventually (as it were) destabilising a regional player such as Egypt. This argument is particularly relevant in the context of regional dynamics and the respective roles of the EU and Egypt. There is also the counter balance effect of the U.S. relationship with Egypt to consider, which impacts upon both Cairo and Brussels.

From this perspective then, Realist explanations have found strong evidence in EU behaviour that political and practical consideration take precedence over ethical ones. Despite the good intentions of the EU to promote a specific set of shared values through the ENP in Egypt, EU commitment in this area has been
weak and reforms have not happened, pointing to self-interests and geo-political considerations as the main drivers of the EU behaviour.

That said, the evident success in the promotion of neo-liberal values, ideas and practices cannot be denied. Reforms in this sector can be said to have been the most successful due to a high degree of shared understanding and interests. In the context of the trade and socio-economic pillar, evidence has demonstrated that Egypt not only was a willing partner in the reform processes but also that the neo-liberal and neo-liberal institutional logic of the ENP can explain much in this regard. Shared interests and cooperation have proved the main drivers for change in this pillar, resulting in substantial efforts of approximation and harmonisation. The benefits of this approach have allowed Egypt to protect its interests and negotiate cooperation measures with the EU through the shared language of free trade and neo-liberalism and despite the evident asymmetry in place. As a result, the Egyptian administration has been willing (and able at times) to undertake important legislative, regulatory and institutional reforms in order to integrate its sector policies into the regional institutional structure and in doing so, reap the benefits on offer. The developments in trade and energy are evidence of this argument. Thus, this explanation is very telling in terms of the driving force behind the policy implementation process beyond the official rhetoric. Cooperation and interdependence in fact, can be said to be at the centre of neo-liberal explanations of the ENP as a policy for economic reforms and trade integration. Importantly, the successful implementation of the trade and socio-economic pillars have also manifested a high potential for socialisation through increased dialogue and cooperation, technical assistance and in general, quality interaction between the two sets of practitioners.

The ENP has prioritised strategic sectors such energy, infrastructure and trade at the expense of more socially oriented ones such as poverty, employment and public services. The civil turmoil of 2011 and the eventual fall of the Mubarak regime can be said to have been rooted in the deficient socio-economic conditions and the shortcomings of the Egyptian system.
Throughout the analysis, the concept of Europeanisation has allowed us to deconstruct the process of norms-transfer and to identify the variables that influence its success or lack of it. A number of important indicators borrowed from the concept of Europeanisation have allowed us to evaluate the process of norm transfer in Egypt. Namely, this study has identified a number of factors that have been able to explain the lack of adoption of specific norms, in particular those related to the political system and the promotion of human rights. These have included domestic factors such as the costs of adaptation, the degree of democracy in Egypt, the lack of participation of non-state actors and the centrality of specific institutions such as the military and security apparatus. In this context, there is a clear lack of open political space for ‘norm entrepreneurs’ to operate. External factors on the other hand, have included the political will, the credibility and legitimacy of the EU in Egypt. Additionally, other international players such as the U.S. can be said to have impacted Egyptian perceptions of the EU as a legitimate political actor in the region.

From the evidence provided in this study, we can argue that that a degree of socialisation has taken place. This has mainly been sector sensitive and has taken place at the technical level and thorough institutional mechanisms such as Twinning and TAIEX and within the context of technical dialogue. To a degree, the same argument can be made in the context of conditionality whereby technical conditionality (positive) has been exercised. The implementation of SBS has provided much evidence in this regards. This study has thus traced the process of normative transfer through the concept of Europeanisation. Europeanisation has allowed us to identify the critical factors for successful transfer of norms and the mechanisms within this process. From the evidence collected, this study can confirm that in specific sectors and given certain conditions, Europeanisation can occur successfully.

**Empirical Contribution**

Empirically, this study has demonstrated how the policy works on the ground and how assistance is delivered in practice. Here the evidence has provide us with mixed results.
In the implementation cycle of the ENP, increased emphasis was placed by the Commission on adopting a comprehensive and complementary approach to assistance and a logic of positive conditionality through the application of demand-driven instruments such as SBS and technical assistance. These were aimed primarily at achieving institutional and procedural change. These instruments can also be seen as characterised by mechanisms conducive for the process of socialisation to take place though increased sector dialogue and interaction. In this context, the ENP introduced the institutional structure of the sub-committees as a mean for monitoring but also as a forum for technical interaction and exchange of know-how. From the evidence collected, the function of sector sub-committees can be seen as having brought added value to the cooperation framework between the EU and Egypt. With the exception of the political sub-committee where dialogue was simply formal and presentational, in the more technical sub-committees such as transport, energy and environment or customs, dialogue has proved efficient and the sub-committee have been seen to deliver on their function.

Overall, ENP delivery methods have had different levels of success depending on the sectors in which they have been applied. This study has argued that policy tools such as Twinning, TAIEX and in particular SBS, have the potential for norms-transfer and EU induced change, promoting both technical conditionality (matrix and bench-marks) and socialisation (administrative procedure and institutional learning, sector-dialogue). Importantly, we could also argue that through the application of local ownership, the EU is able to apply positive conditionality in its relations with Egypt. Here, processes and mechanisms associated with SBS can be seen as increasing the opportunity for the EU to influence the Egyptian administration at institutional, legislative, procedural levels, and introduce norms related to better governance, transparency and a more intensified and participatory policy dialogue.

The analysis has also pointed to a degree of inability by the EU to apply delivery tools correctly and hence, to exercise positive conditionality in an efficient manner. In this context, delivery methods can be said to have been utilised
mainly as a political tool and incentive. Evidence for this argument can be found in the dynamic interpretation that the EU Delegations applied to the eligibility criteria for SBS in Egypt: an argument also reiterated by the European Court of Auditors report of 2013. The same argument can be made for the case of Twinning in Egypt. Once again, the lack of the prospect of accession has meant that the harmonisation component of Twinning projects has often been overlooked. That said, the main contribution of this research has been to sustain that when applied correctly, SBS, Twinning and TAIEX can indeed contribute to induce changes at the policy, legislative and institutional level of partner states. This argument holds important implications for the debate regarding the EU as an international actor and the nature of its power. The mechanisms for change and transformation therefore can be said to have been identified under the ENP, the problem being their effective application and the motives that explain failure to do so.

An important factor in this context has been the uneven political commitment from the Egyptian side. From the analysis above is evident that the Egyptian administration was willing to cooperate in many sectors under the trade and socio-economic pillars, but that the same cannot be said about the political pillar. Hence, we can say that political will for the implementation of the ENP in Egypt, is sector-sensitive. In practice, this resulted in successful reforms and progress in the areas of trade liberalisation and in some economic reforms and infrastructure, but in a hollow and rhetoric-filled dialogue in the fields of democracy and human rights. Hence, despite the ENP being a policy that could be described as euro-centric, the rate of its success can only be measured if partner countries are willing to cooperate and have the political weight needed to lobby domestically for change in a given sector. In this context, the leverage and incentive at the disposal of the EU are substantially weak.

One area in which policy-level commitments have seemingly provided some progress according to EU officials at the Delegation is that of PFM and macro-financial management. Here the eligibility criteria for SBS have been critical and have proved to be enough of an incentive for the Egyptian administration. The dynamic interpretation of these criteria by the EU Delegation has meant that
Egypt has been willing to undergo a PEFA exercise and work on sector reforms. The EU Delegation considers the PEFA exercise an important success in this regards, and evidence that the Egyptian administration was willing to cooperate. The link between these reforms and the disbursement of the SBS tranches through the matrix is a clear incentive for the Egyptian administration. However, in most SBS, the very ambitious targets set in the matrix have meant that despite Egyptian efforts, EU expectations were not often met. The European Court of Auditors’ report was quite critical regarding SBS and PFM, referring in particular to the lack of transparency and information about the Egyptian budget (ECA, 2013). Hence, we can say that the ECA report contradicts what has been the perception of EU officials in Cairo about the impact and effective applicability of SBS.

We can conclude by noting that the nature of EU behaviour with regards to Egypt can be described as variable and characterised by the nature of the sectors for cooperation. We have seen how part of the ENP objectives were achieved in the trade and socio-economic pillar but not in the political one. In the latter, we have identified the dilemma that the EU faced with regards to security versus stability and have explained the resistance manifested by Egypt in terms of undertaking political reforms. Two important variables need to be mentioned here: one domestic and one international. Domestically, the aims of economic modernisation and reforms cannot be seen as taking place in a democratic system, hence any spill over effect is seen as negligent here. The Egyptian economy and state have been characterised by half a century of quasi-military rule and a high degree of dependency (rent economy) and crony capitalism. Under these conditions, the prospect of economic and political liberalisation has always manifested domestic tensions and incompatibilities. Through the ENP in the Mediterranean, it seems that the EU wanted to replicate the successes of enlargement without the incentive of membership, and in a context fundamentally different than that of Eastern Europe. We could argue that the relative successful reforms in the trade and socio-economic pillar are the result of shared interests, and shared values and ideas on how the economy
should function. In terms of political reforms however, Egyptians practitioners and policy-makers were highly sensitive to the potential implication of that process and always resisted it. This study has argued that the Egyptian administration had a different understanding of cooperation under the political pillar as they have been very willing to discuss regional geo-political issues and, in particular, have pressed the EU to upgrade the status of their relationship, reflecting their perceived central role in the. Egypt’s interests under this pillar have always been geo-political, aiming at legitimising Cairo’s role as a broker in the Arab-Israeli issue and at confirming its political weight in regional affairs. Similarly, it was in the EU’s interest to have such an influential ally as Mubarak in the region in order to add credibility and to legitimise the Union’s role in regional affairs. In fact, the EU has welcomed and encouraged, Egypt’s role as a broker in the region and has supported Cairo’s efforts and narrative on international terrorism.

The analysis of the political pillar has emphasised the democracy-security dilemma in Egypt. From this perspective, the events of January 2011 and the advent of Morsi at the presidency of Egypt, the first civilian president in years, do not constitute the triumph of political liberalism but rather the emergence of political Islam as the alternative conservative force to that of the military in Egypt. The election of El Sisi as the President of Egypt has further reinforced this dilemma for the EU in term of its relation with Egypt. Despite the lack of shared values on the political notions that govern the two partners (liberal vs authoritarian), we could say that after all, the EU and Egypt share a relatively similar notion security. Internationally, one important variable to mention here is that of the U.S. Washington in fact, is still perceived as the main political actor in Egypt due to its central role in the Arab-Israeli issue and the military supports it provides to Cairo. Moreover, the U.S. remains a strong Egyptian ally and a political ‘heavy-weight’ in the regional balance of power. The EU on the other hand, despite being the largest donor in terms of development and cooperation, does not hold the same political weight and is primarily perceived as a key economic actor. Hence, it could be argued that in the context of the research questions of this study, the traditional role of the U.S. contributes to
the weakening of the EU normative power thesis and relegates the role of Brussels to that of an economic bloc.

The study of the implementation of the ENP in Egypt has allowed us to advance various propositions with regards to the behaviour of the EU in international relations, and with regards to the nature of EU power. The application of theoretical eclecticism has proven useful in allowing the explanations to reflect differently on concepts such as norms, normative transfer, power, interests and cooperation. This has allowed the study to construct a diversified but holistic picture of the subject matter. EU behaviour and hence, the application of EU power have been seen as sensitive to both domestic and international variable. We can conclude, that the study of the ENP in Egypt points to an environment where the study of actors behaviour has to factor for additional structural and agency dynamics.

**Areas for further research**

The investigation conducted in this thesis opens up a number of areas for further study. Indeed, further exploration of the research outlined in this thesis would allow for the examination of other factors affecting the EU agenda and policy in the Mediterranean. Moreover, the role of the EU as a promoter of change and transformation in the region needs to be further analysed in more depth. This would allow for a comparative approach to be undertaken in the context of the implementation of the ENP in the Mediterranean. Therefore, the two avenues of future research suggested in this final section are: 1) The role and relation of the U.S. with Egypt; 2) The role of the EU as norms entrepreneur and agent for change.

Firstly and adopting a structural perspective, further research is needed to assess the impact of other relevant actors in the region with regards to the realisation of the objectives of the ENP. In this context, the role of U.S. has been briefly outlined but not fully elaborated upon. In particular, the historical legacy of Washington in regional security structures such as MEPP, as well as the
central role played by Cairo as a stabilising force, provide a great opportunity for research to understand the dynamics that underpin trilateral security cooperation in this context. Egypt was in fact, the first a pole of stability in the Arab Israeli question post the US brokered 1979 peace treaty, and an important ally in the reconstruction of regional stability after the Arab Spring. Importantly, further research in this area would allow for an evaluation of the impact of these dynamics on the EU agenda and security interests. Barry Buzan (1998) has elaborated on the concept of security complexes which could be appropriately applied in the region.

Secondly and adopting an agency approach, further empirical research on the role of the EU as a norms entrepreneur could address more specifically the questions that emerge in relations to EU power and its mechanisms. By adopting a comparative study approach, we could enlarge the scope of the analysis to other regional partners in order to assess and gauge more accurately the capacity of the EU in this regards. Indeed, further research could shed light on the condition needed to promote certain norms, the credibility of the EU as an agent of change, the indicators for successful transformation and importantly, the role of domestic actors in different scenarios.
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http://repositories.cdlib.org/cgi/viewcontent.cgi?article=1035&context=ies


ANNEX 1:

EU-EGYPTIAN RELATIONS OVER TIME: NORMS AND VALUES UNDER THE GLOBAL MEDITERRANEAN POLICY (GMP) AND THE EURO-MEDITERRANEAN PARTNERSHIP (EMP)

Chapter two has focused on the ENP and outlined the changes and similarities that the policy manifested vis-à-vis its predecessors. This annex aims to contribute to the understanding of the ENP by providing a contextual background to the EU agenda in the Mediterranean. It will demonstrate how the EU has consistently promoted norms and values associated with a neo-liberal economic orthodoxy and how over time, political values and norms have gradually became more explicitly articulated. This has been particularly the case of the EMP.

Looking at the engagement of the EU in the Mediterranean over time implies unpacking the rational and tenets of the Global Mediterranean Policy (GMP) and of the Euro-Mediterranean Policy (EMP). Contextualising the ENP from a historical and regional perspective allows us to better the understanding of the driving and motivational factors influencing the formulation process. It also provides the study with evidence that the development of a comprehensive approach to security in the region by EU, has been ongoing and changing over time.
THE EU IN THE MEDITERRANEAN: THE CONTEXT FOR EU-EGYPTIAN COOPERATION

The Mediterranean has been one of the first regions to witness the extension, so to speak, of the EU’s institutional structure and cooperation agreements with third countries. Following a first contractual engagement with the region in the 1970s, the EU policy approach to the Mediterranean has increasingly become the central dimension of the Union’s Southern foreign policy. The collapse of the Soviet Union in the early nineties and the wave of democratisation that followed allowed the EU to develop a more pivotal role in regional relations and coincided with the EU working towards a more coherent and unified foreign policy. The success of Enlargement policy reinforced the role of Brussels as a regional actor, particularly with regards to its capacity to act and be perceived as an anchor able to foster socio-economic development and growth. The EU has also been seen as able to promote and foster political reforms including democracy and human rights in third countries. The experience in the Mediterranean has naturally been different from Enlargement due to the lack of a clear, short term and substantive incentive.

The first attempt at contractual relations of the EU in the Mediterranean was the Global Mediterranean Policy (GMP) in the 1970s. The GMP was followed by the establishment the Euro-Mediterranean Partnership (EMP) and the Barcelona Process in 1995 and later the European Neighbourhood Policy (ENP) in 2004. Currently, EU contractual relations with Mediterranean partners are underpinned by Euro-Mediterranean Association Agreements (EMAAs) which form the legal basis for cooperation with EU partners. Prior to the Lisbon Treaty (2009) these type of agreements fell under the category of mixed-agreements as they include areas where the Community competences overlapped with the competences of member states on issues as the Common Foreign Security Policy (CFSP) and Cooperation in Police and Judicial Criminal matters (Smith, 2004, p.7). The ENP was thus considered a ‘cross-pillar’ policy in so far that competences cut across the (old) EU pillar structure. Mediterranean can be said to have become one of two crucial dimensions of the EU foreign policy, the other being the Eastern dimension of the Union. In 2000 the Council explicitly set the
strategic direction of the EU in the Common Strategy for the Mediterranean stating:

“The European Union’s goal is to help secure peace, stability and prosperity in the region. Its objectives also include promotion of core values such as human rights, democracy, good governance, transparency and the rule of law. Social, cultural and human affairs also play a role in promoting mutual understanding. Free trade, closer cooperation in the field of justice and home affairs, greater security through cooperation to promote peace and dialogue to combat intolerance, racism and xenophobia are further objectives” (Council of the European Union, 2000, para.3).

The EU agenda in Mediterranean has not always been that explicit with regards to the promotion of its interests and of political values and norms in its external relations. The following section will trace the prioritisation of objectives and perceptions of challenges by the EU in the Mediterranean. It will do so in a chronological manner focusing on the various policy frameworks from the Global Mediterranean Policy (GMP) and the Euro-Mediterranean Partnership (EMP).

**The Global Mediterranean Policy (GMP)**

The Global Mediterranean Policy (GMP) formally acknowledged the importance of the Mediterranean for the EU in both political and economic terms. It was also an attempt to bring greater policy-coherence in the region (Gomez and Christou, 2004, pp. 187-8). Up to that point, the EU did not consider the Mediterranean as a homogenous region (Bicchi, 2003, p.12). The main concerns for Europe were related to the spill over of terrorism form the Arab-Israeli conflict on the continent, best exemplified at the time by the tragic events at the Olympic Games in Munich in September 1972 and, by the difficult economic relations with Arab partners. Regional politics at the time where characterised by the phenomena of nationalism and oil crisis, culminating with the nationalisation of the oil industry in Libya in the 1970s and the oil shock of 1973 (Bicchi, 2003, p.13). Relations with Mediterranean partners at the time could be summarised as contrasted by post-colonial aspirations of independence with the realities of economic interdependence and exchange (ibid.).
Under the GMP and for the first time in relations with third countries, the new EU Cooperation Agreements (CA) included provisions for financial, social and technical matters and, the inclusion of small amounts of aid alongside trade (Gomez and Christou, 2004, pp. 187-8). The Fourth Protocol of the Cooperation Agreements for example aimed at supporting the IMF’s and the World Bank’s Structural Adjustment Programmes (SAPs). The objectives of SAPs consisted of promoting economic reforms and development, job creation and attracting investment, containment of population growth and to a lesser extent, political liberalisation (Parfitt, 1997, p.869). According to Parfitt (1997, p.870) the rationale of the EU was to foster economic development and liberalisation in the region, by securing the commitment of Mediterranean partners to the same politico-economic values which underpinned the EU itself. This indicates a first European attempt in the Mediterranean at linking socio-economic development with the stability of the region.

**EU-Egypt Cooperation under the Global Mediterranean Policy (GMP)**

In 1976 Egypt signed a Cooperation Agreement (CA) with the EU under the framework of the GMP. The agreement was complemented by four additional financial protocols which regulated the aid framework: (I) 1978-1981; (II) 1981-1986; (III) 1986-1991 and (IV) 1991-1996 (Licari, 1997, p.25). The CA gave Egypt preferential treatment and free access to the EU markets for raw materials and industrial exports, albeit with exceptions for the most sensitive sectors such as textile and clothing (Licari, 1997, p.23). This was a non-reciprocal agreement with regards to EU exports to Egypt. In agriculture, one of the key sectors for the Egyptian economy, Egyptian exports benefited from 40% to 80% tariff concessions of the common external tariff. Once again however, quotas and calendar restrictions were imposed. Moreover and due to measures in the Common Agricultural Policy (CAP), tariff reductions applied for part of the year.

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40The aid frameworks compromises European Investment Bank (EIB) loans, soft loans, non-refundable aid and venture capital (Licari, 1997, p.25).
and reference pricing was applied to fruits and vegetables in order to protect the EU market (Licari, 1997, p.23).

In the context of aid, the four Protocols of the CA provided different arrangements and focused on different policy sectors. The first and second protocols (1978-1981 and 1981-1986) allowed aid to be invested in economic infrastructure and direct production, while the modernisation of the agricultural sector and industrialisation had to be negotiated separately as special targets (Licari, 1997, p.25). The third and fourth protocols (1986-1991 and 1991-1996) prioritised venture capital in an attempt to help Egyptian public and private firms (Licari, 1997, p.26). The fourth protocol in particular, highlighted agricultural projects as part of a pluri-annual strategy and addressed the challenges faced by small and medium enterprise (SME). Under this protocol, Community grants for the Mediterranean dedicated to the promotion of structural adjustment programmes (SAPs) were provided to Egypt (Licari, 1997, p.26).

Under the GMP, Egypt became the largest recipient of EU aid in the Mediterranean (Licari, 1997, p.25; Parfitt, 1997, p.866). Its geographical position meant that Cairo was seen as a bridge between Europe, Africa and the Middle East. Egypt’s relation and proximity with Israel was another important factors for considering Egypt as central geo-political actor for EU relations and interests in the entire region (Parfitt, 1997, p.866). Moreover, Egypt’s own rapprochement towards the West and Israel made it rationale and consistent with EU interests to support Cairo’s efforts towards economic and political liberalism (Parfitt, 1997, p.866).

**Euro-Mediterranean Partnership (EMP)**

The Euro-Mediterranean Partnership (EMP) emerged as a result of a European Commission proposal in 1992 which envisaged the creation of a free-trade area (FTA) in the Maghreb region (Gomez and Christou, 2004, p.191). Building on the

41 The EMP includes all 27 EU MS plus 10 Mediterranean partners: Algeria, Egypt, Israel, Jordan, Lebanon, the Palestinian Territories, Morocco, Syria, Tunisia and Turkey (Lannon and van Elsuwege, 2004, p.39).
GMP rationale, the objectives of the initiative were to achieve prosperity and stability in the Mediterranean and, to enhance political dialogue and confidence amongst Mediterranean non-member countries (MNMC). The rationale of the EMP was based on a neo-liberal market-logic which emphasised free-trade, private investment and macro-economic reforms as a stimulus for socio-economic development (Gomez and Christou, 2004, p.191). Even though economic interests seemed to underpin the rationale of the proposal, the end of the Cold War meant that the EU now had a new window of opportunity to enhance its political role in the immediate neighbourhood. Security concerns also began to be perceived differently, both in terms of increased migration flows and the rise of political Islam. Southern member states in particular were concerned to limit the flows of illegal migration by restricting entries and revising the provisions for granting asylum (Bicchi, 2003, p.15). In 1994 the Foreign Affairs Council asked the Commission to submit short and medium-term guidelines for a Mediterranean policy (Parfitt, 1997, p.871).

At the Corfu, Essen (1994) and Cannes (1995) European Councils the decision to establish the EMP was adopted and a draft Barcelona Declaration was submitted to the twelve Mediterranean partners for discussion and eventual adoption the following year (Lannon and van Elsuwege, 2004, p.35; Parfitt, 1997, p.872). The Barcelona Declaration was a comprehensive initiative articulated through the ‘three baskets’ approach: 1) a security and political partnership, 2) an economic partnership which envisaged the creation of a FTA in the Mediterranean by 2010, and 3) a social cultural and human partnership (European Commission, The Barcelona Declaration, 1995). The three related objectives of the EMP were: 1) to achieve an area of peace and stability in the region based on the respect for fundamental human rights and the principles of democratisation, 2) to create an area of shared prosperity based on the gradual integration of regional economies into an area of free trade and increased harmonisation with the acquis communitaire and finally, 3) to enhance mutual understanding between people and culture on both shore of the Mediterranean (European Commission, 2002, p.4).
The EMP relied on two policy instruments: 1) the Euro-Mediterranean Association Agreements (EMMAAs) and 2) financial aid packages (MEDA). The EMMAAs set the legal basis for a gradual process of trade liberalisation covering rights of establishment, movement of trade and capital, technical cooperation and research and development (Gomez and Christou, 2004, p.191). It could be argued that the EMP model combined security with commercial priorities and interests, all made more ethically plausible by adding a normative and human face to the initiative. In terms of the liberalization of trade, the EMP set the basis for the ENP to build on.

The first basket of the EMP was concerned with political issues and aimed at building confidence measures between partners (European Commission, 1995, p.3). The promotion of political reforms reinforces the thesis of an EU as a force for good and displaying characteristics of a normative power. In fact, a number of points in the Barcelona Declaration committed the signatories to:

“[D]evelop the rule of law and democracy in their political systems, while recognizing in this framework the right of each of them to choose and freely develop its own political, sociocultural, economic and judicial system […] respect human rights and fundamental freedoms and guarantee the effective legitimate exercise of such rights and freedoms, including freedom of expression, freedom of association for peaceful purposes and freedom of thought, conscience and religion, both individually and together with other members of the same group, without any discrimination on grounds of race, nationality, language, religion or sex […]” (European Commission, 1995, p. 3).

All of the EMMAAs have provision for the exercise of political conditionality through the essential element clause, i.e. Article 2 (European Commission, 2003b, p.8) which stipulates that:

“Relations between the Parties as well as the provisions of the Agreement itself, shall be based on respect of democratic principles and fundamental human rights as set out in the Universal Declaration on Human Rights, which guides their
internal and international policies and constitute an essential element of this Agreement” (EU-Egypt Association Agreement, 2001, p. 5).

This basket was thus intended to provide a forum for dialogue on political and security issues but also to include and emphasise principles such as fundamental human rights and democracy as guiding principles for relations even though these were seen as sensitive issues for the majority of MNMC.

The second basket was aimed at establishing an economic and financial partnership through economic cooperation with the objectives of creating a Mediterranean free trade area (FTA): together these objectives formed the main body and essence of the Barcelona Declaration (Parfitt, 1997, p.872). Three objectives were identified under the second basket: socio-economic development, poverty reduction and regional cooperation and integration (European Commission, 1995, p.4). This basket was seen as the most important since it reflected both the EU's and partners’ main shared interests under the initiative. From an EU perspective, this basket explicitly addressed the commercial interests of the Union and its partners but also linked the priorities identified under the ‘new security’ agenda with socio-economic conditions in partner states. The provisions of the economic basket in fact, implied an eventual removal of trade barriers across all sectors in the Mediterranean with potentially serious implications and disruptions for MNMC. These reforms therefore could create potential political back-clashes back in those member states which would suffer from the increased competition (e.g. the agricultural and textile sectors), as well as in partner states resulting in increased illegal migration and radicalisation (Gomez and Christou, 2004, p.191). From a theoretical perspective the EMP can also be explained through the maximisation by the EU power asymmetries that characterised relations with Mediterranean partners. Moreover, the dominance of a cultural and economic ideology which seemed to legitimise the rationale for development along capitalist lines and importantly, void of an alternative orthodoxy, reinforces critical structural explanations which fall under a neo-Gramscian paradigm.
Finally, the third basket emphasised a social and human dimension. It was envisaged to promote dialogue, cultural understanding, educational exchanges, networks and the promotion of basic social rights. It also emphasised the importance of social development and identified related areas of concern such as migration and organised crime. The third basket clearly highlighted the central and indispensable role that a vibrant civil society is expected to play for the socio-economic and democratic development of MNMC (European Commission, 1995, pp.7-8).

The difficulties in negotiating the EMAAs saw the introduction of financial aid packages as a supporting instrument. MEDA aimed primarily at supporting structural reforms and socio-economic development with an initial modest budget of €3.4 million (1995-1999) (Gomez and Christou, 2004, p.192). Parfitt (1997, p. 874) notes that with the introduction of MEDA the EU aid regime changed. Instead of allocating a set amount to each regional country for a period of five years, MEDA introduced an element of competitiveness whereby money would be disbursed according to the merits of the various proposals presented by MNMC. This was intended to achieve greater efficiency in the use of aid. Parfitt (1997, p.874) argues that by not guaranteeing a set amount of aid for any country, the EU did increase its capacity to better control aid allocation in a unilateral fashion (Parfitt, 1997, p.874).42

**EU-Egypt cooperation under the Euro-Mediterranean Partnership (EMP)**

For the Egyptian administration, the provisions in the EMAA reflected the broad aims envisioned under the national economic reform strategy. Signing the EMAA and embarking on a policy of trade liberalisation and harmonisation with the EU was understood by Egyptian negotiators at the time, to be the best method of attracting FDI. In terms of political developments under the EMP, the political basket and the confidence building measures envisaged at the time were

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42 Parfitt (1997, pp.874-5) identify two problems with this approach: a) how to define efficient spending and what criteria have been used in this regard and, b) by using this allocation method would aid reach the poorest in the region as intended and outlined in the EU Treaty? How do these questions explain the apparent shift of responsibilities witnessed though the financing method of budget support?
favoured by the Egyptian administration who carefully worked on reinforcing its role as a mediator and stabiliser in the region. In hindsight, it could be said that confidence building measures were perceived by some officials in Cairo as having been successful. According to an Egyptian official involved in the EMP at the time, the dialogue between partners eventually resulted in fruitful talk over cooperation: “People [Arab and Israelis] were sitting together blaming each other, but they were sitting together” (Personal communication, N. 20, 2009).

Negotiations concerning trade with Egypt under the EMP framework, particularly over market access for industrial and agricultural products, proved difficult and long (Parfitt, 1997, p.878). Initially, Egyptian negotiators seemed worried about the impact of European industrial products on their own market. Although liberalisation of the publicly owned industrial sector was agreed with the IMF and the World Bank in 1991, this process proved slow and eventually unattainable. The main obstacles had been the lack of political will to see it thorough and the strong resistance applied by Egyptian lobbies (Parfitt, 1997, p.878; Licari, 1997, p.31). Parfitt (1997, p.878) notes that the Egyptian government was worried about the impact that liberalisation would have on unemployment and thus, the implications related to the rise of Islamic fundamentalism in the country. In fact, economic factors are seen by some as only one element of potential domestic instability, even more so today. Coupled with little civic awareness and political diversity, socio-economic conditions are seen to play favourably in the hands of radical political Islam and in the promotion of a stream of thought that, according to an Egyptian official, “could offset everything we have done thus far” in the field of democracy and human rights (Personal communication, N. 20, 2009). Having said that, the Egyptian administration was aware that in order to be competitive vis-à-vis the EU, it needed to restructure its highly bureaucratic and large public industry. The solution appeared to be in the 12-years gradual liberalisation process (phasing) enshrined in the EMAA. This was seen to give the Egyptians a grace period in which to embark on economic restructuring and prepare its industries for free trade (Gomez and Christou, 2004, p. 193; Parfitt, 1997, p.879). One area of concern for the Egyptians has been related to the EU rules of origins which
stipulate that in order to benefit from tariff-free entry into European markets, products needs to have been produced in the exporting country. The minimum value-added in any commodity stipulated by the EU is 40%, a figure which Egypt found hard to achieve (Parfitt, 1997, p.879). Even though the high local content/percentage was envisaged to discourage non-EU firms to invest in the Mediterranean (Licari, 1997, p.28), Egyptian concerns were also justified on the grounds that the measure would discourage FDI in general.

The real sticking point in the negotiations however, has been Egyptian concerns with agricultural products. Negotiations started in 1996 but quickly stalled over market accession of products such as oranges, potatoes, cut flowers and rice (Gomez and Christou, 2004, p. 193). The Egyptians argued that the principle of comparative advantage lay within agriculture and in the free access to EU markets for such products even though the Commission has seen this position as a maximalist one (Parfitt, 1997, p.879). For the EU, the Egyptian requests of easier access to the market for the key products mentioned above was seen as potentially disrupting and non-conforming with the principle of traditional flows which for example, limit Egyptian exports in the sectors vis-à-vis competitors such as Tunisia and Morocco (Licari, 1997, p.29). The negotiations over agriculture produced little progress under the EMP and arguably, impacted on Egypt’s aid receipts on the basis of the lack of capacity to propose enough viable projects (Parfitt, 1997, p.880). As far as other areas such as the liberalisation of services and right of establishment, these were at an evolutionary stage at that time (Licari, 1997, p.30).

It could be argued that the Mediterranean region has witnessed an incremental process of institutionalisation both in terms of policy-sectors (deepening) and in terms of the degree of institutional interdependence between these sectors (widening). This is evident in matters of trade and commerce where the EU agenda is seen as willing to harmonise norms, practices and standards. Despite these efforts, the impact of the EMP was not very positive, particularly with regards to the field of political reform. This indicates either the inability or the unwillingness of the EU to apply political conditionality in its relations with Mediterranean partners. Based on the evidence of the EMP alone, the normative
power thesis seems quite strong in its formulation of intentions but, rather weak in its application. In fact, considering that the EU aims to promote certain constitutive norms, values and practices, it has failed to achieve its objectives on the ground. Moreover, we could argue that even though the EU has increasingly emphasized the role of political values and norms such as democracy and human rights under the EMP, it is yet to apply Art. 2 of the various Association Agreements with any partner state.

CONCLUSION:

The aims of this annex has been to attempt to trace the driving motives and the distinguishing features of the EU agenda in the Mediterranean over time, with specific focus on Egypt. Importantly, this chapter has maintained the focus on the role of norms and values in the formulation and design of these policy frameworks while at the same time, trying to trace their articulation on the ground through cooperation and implementation modalities with Egypt.

As we have seen, the GMP signalled the first contractual engagement of the EU with the Mediterranean region. The policy appears to have been formulated on the basis of self-interest and realist assumption with a degree of economic liberalisation advocated. With the advent of the EMP and of the Barcelona Process in the mid-1990s the promotion of a neo-liberal economic orthodoxy was made much more explicit in the three-basket approach of the EMP, providing the core element of the partnership. Economic integration and the creation of a FTA were envisaged as clear and attainable objectives to be achieved through economic reforms, the facilitation of FDI, market liberalisation and privatisation. Together with a stronger promotion of specific economic values and norms and thus, a stronger emphasis on the economic dimension of EU agenda in the Mediterranean, the EMP also emphasised in an unprecedented manner, the relevance of political reforms and values such as democracy and human rights. The inclusion of political reforms in the three-basked approach could be interpreted from two perspectives. Firstly, that the EU was in fact promoting and making conditional to its contractual relations (see Art. 2 EMAA) the respect of certain values and norms related to the political arena thus,
reinforcing the projection of its image (and thus perception) in the region as a normative, benevolent power. Secondly and maybe more importantly, the strong emphasis on political reforms also signalled the conviction that EU security was seen as attainable through a comprehensive framework linking directly socio-economic development in partners states to the security of EU citizens.
ANNEX 2:

LIST OF INTERVIEWS

- EEAS/Commission – EU Delegation - Political section – Policy Officer, Cairo, 29/09/2008
- European Commission - EU Delegation – Social Section - Programme Manager/1 – Cairo, 09/07/2009
- European Commission - EU Delegation – Trade Section – Policy Officer, Cairo, 12/07/2009
- European Commission – EU Delegation – Social Section – Programme Manager/2, Cairo, 15/07/2009
- European Commission – EU Delegation – Economic Section – Programme Manager/1, Cairo, 18/07/2009
- European Commission – EU Delegation – Social Section – Official/1, Cairo, 20/07/2009
- Government of Egypt – Ministry of Foreign Affairs – Association Agreement Steering Bureau - Second Councillor, Cairo, 22/07/2009
- European Commission – EU Delegation – Economic Section – Programme Manager/2, Cairo, 26/07/2009
- European Commission – EU Delegation – Economic Section – Programme Manager/4, Cairo, 28/07/2009
- Civil Society Organisation – (European Foundation) - Deputy Director- Cairo, 28/07/2009
- Civil Society Organisation – (Egyptian NGO) - Director- Cairo, 31/07/2009
- Al-Azhar University – Prof. Ahmed El-Tayyeb – 03/08/2009
- European Commission – EU Delegation -Social Section – Official/2, Cairo, 06/08/2009
- Civil Society Organisation – (Egyptian NGO) - Deputy Director- Cairo, 06/08/2009
- European Commission – EU Delegation -Social Section – Programme Manager/3, Cairo, 08/08/2009
- Civil Society Organisation – (Egyptian NGO) - Director- Cairo, 09/08/2009
- Civil Society Organisation – (Egyptian NGO)- Director- Cairo, 20/08/2009
- Civil Society Organisation – (International Foundation) - Director- Cairo, 03/09/2009
ANNEX THREE:
LIST OF DATA SET

- SCM 2007-1: Sub-committee minutes on Custom Cooperation
- SCM 2007-3: Sub-committee minutes on Transport, Energy and Environment
- SCM 2007-4: Sub-committee minutes on Health
- SCM 2008-1: Sub-committee minutes on Agriculture and Fisheries
- SCM 2008-1.2: Sub-committee minutes on Industry, Trade and Investment
- SCM 2008-2: Sub-committee minutes on Internal Market
- SCM 2008-3: Sub-committee minutes on Transport, Energy and Environment
- SCM 2009-4: Sub-committee minutes on Health
- ACT 2008-1.2: Association Committee Internal Notes
- ACT 2008-1.3: Association Committee Internal Notes
- ACT 2008-1.4: Association Committee Internal Notes
- ACT 2008-1.5: Association Committee Internal Notes
- ACT 2009-1.1: Association Committee Internal Notes
- MR 2008-1: Mission report – Internal – Custom Cooperation
- Memorandum of Understanding on Strategic Partnership on Energy with Egypt – Internal
- Note to File-H1: Internal Communication
ANNEX FOUR:

LETTER FROM THE ETHICS COMMITTEE

[See overleaf]
LETTER FROM THE ETHICS COMMITTEE

[See overleaf]
ANNEX FIVE:

UPR16 ETHICAL CONDUCT FORM

[See overleaf]
UPR16 ETHICAL CONDUCT FORM

[See overleaf]