

Egypt and the EU: Ten Years After the Arab Uprising

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Egypt has been an active partner of the European Union (EU) in the Southern Mediterranean for decades. Relations between Egypt and the EU have gained further importance in the past few years. The deep instability that engulfed many countries around the region, and the complex crisis of the entire regional order, have all granted greater importance to relations between Egypt and the EU.

Greater Regional Risks

Following the uprisings of 2011, political turmoil devastated the fragile regional order in the Southern Mediterranean. The situation in the region was further exacerbated by the lack of constructive initiatives on the side of major global actors, particularly the United States (US). The US has been the main global actor in the Mediterranean and Middle Eastern scenes in most of the post-WWII era. In recent years, however, the US has developed disinterest in the region. Having fought costly wars of choice in Afghanistan and Iraq, without conclusive outcomes, the American public and elites lost interest in the region in particular, and developed isolationist attitudes vis-à-vis international politics in general. Scaling down American involvement in our region is among the few agreements in the divided American society. Security of energy supplies and the state of Israel provided the *raison d'être* of US presence in our region but apparently this is no longer the case. The US is no longer concerned about the security of energy supplies as it has been in most of the post-WWII era. Israel has grown up and is no longer dependent on US security guarantees. As it stands, the US can afford to pull back from the Middle East and the Mediterranean without serious risks.

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Greater Demand for EU Role

After all, the US is not a Mediterranean country, and it is shielded against regional hazards by the reality of geographic distance. In contrast, geography strongly

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links Europe to the Mediterranean. The past decade has accentuated the fact that the Mediterranean is a transit area rather than a barrier. The mounting risks of terrorism and human trafficking across the Mediterranean prove beyond doubt that the Mediterranean is rapidly developing into a security complex, where developments in one country impact other countries.

The recent discoveries of natural gas in the Eastern Mediterranean lead in the same direction. Offshore natural gas from the Eastern Mediterranean created common interests between a number of Mediterranean and European countries. Also, the newly discovered valuable natural wealth under the Mediterranean deep water further aggravated the old disputes about territorial and economic waters. Both the blessings and the curses of the discovered wealth are spilling over to the broader region to further accentuate the Mediterranean as a security complex.

The scaling down of the US presence in the region encouraged regional and supra-regional actors to pursue assertive policy. The strategic competition between different actors generated further risks. The situation in the region calls upon the EU to assume its responsibilities towards the stabilisation of the region.

Egypt in the Eye of the Mediterranean Storm

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Egypt is located in a central position, where many of the serious Mediterranean security risks intersect. Egypt experienced the Arab uprising, had its share of political turmoil, and suffered the economic losses caused by political instability. Terrorism is a main security threat, which Egypt has to face. Across Egypt's western borders, the political crisis in Libya raises serious security concerns. The fragile state institutions in Libya allowed terrorist groups a safe haven in the troubled country. Egypt is blessed by the natural gas resources recently discovered in its economic zone under Mediterranean waters. However, the discovered resources induced regional tension and risks, rather than cooperation and harmony.

Egypt has to deal with the emerging threats in the Mediterranean, while continuing to address the much older concerns of underdevelopment and poverty. Egyptian security and development concerns are of a hard-core nature, which sets Egypt's national priorities in rather a traditional fashion, where military preparedness and the mobilisation of economic resources make all the difference. Within these circumstances, the government in Egypt carries much greater responsibilities and enjoys greater powers than those assumed by governments in the more conventional liberal model.

Achievement Yes, But Still Early to Celebrate

The Arab uprising did not generate success stories. It generated a few survivors and a larger number of failing states. Egypt has been lucky to make it to the short-list of survivors. It continues to face the threat of terrorism, even though it successfully contained it in a narrow pocket in Northern Sinai (Mcmanus, 2020). The forces of instability and economic distress could have turned Egypt into a major source of irregular migration. However, Egypt has been able to control trafficking through the deployment of measures of both security and development (IOM, 2020). Tourism has suffered the calamities of terror and instability but the economy achieved satisfactory levels of growth. In 2019, prior to the outbreak of COVID-19, Egypt's economy grew at a rate of 5.6% (World Bank, 2020a). The pandemic is obstructing growth everywhere. However, with a growth rate of 3.55%, Egypt is among the few countries that managed to achieve a positive growth rate during the dark year of 2020. A recent report by the International Monetary Fund (IMF) expects the Egyptian economy to expand by only 2.76% in 2021, before returning back to an average growth rate of 5.28% over the four-year period 2022-2025 (IMF, 2020). In a recent report, the World Bank recommended allowing the private sector greater space and opportunities (World Bank, 2020b). The report highly valued the macro-economic reforms introduced in Egypt during the past five years. The report suggested that realisation of the potentials made possible by such reforms requires structural changes towards the creation of functioning markets.

But achievements do not come without cost. Egypt's achievements have been made possible through massive centralisation and mobilisation of resources, and the limiting of political pluralism. While appreciating the progress achieved, aspirations for openness and expansion of the public sphere are shared by many in Egypt. Political openness that would not jeopardise stability and the steady economic growth is the delicate balance which Egypt's main stream is looking for.

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Convergence and Divergence

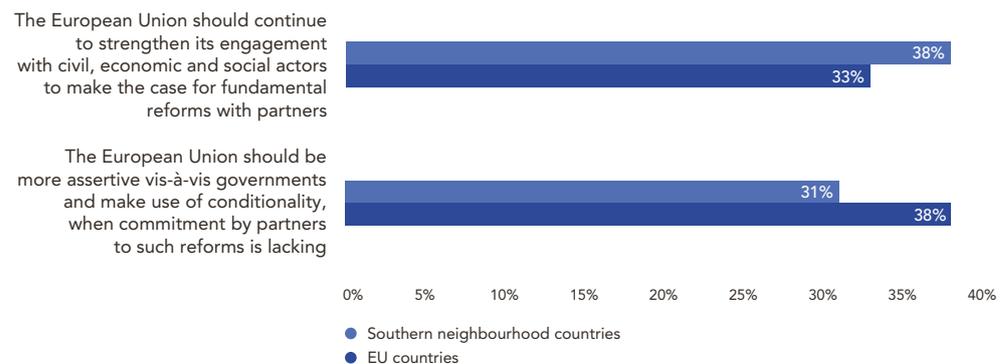
The varying views regarding developments in the Mediterranean are captured by the Euromed EuroMeSCo Survey. The Survey reveals patterns of convergence and divergence between the different sub-groups. Capturing divergences is important to develop a nuanced picture of interests and values of different groups. This is particularly important towards the development of policies tailored to serve the needs of different partners. Identifying convergences, on the other hand, is important to capitalise on common interests and preferences so that integration across the Mediterranean is better served.

Responses of different groups to the questionnaire reveal important trends. There is a high level of convergence between the views expressed by respondents from the southern neighbourhood and the views of respondents from the EU. The Survey contains 23 questions, asking about 29 items. Comparison between the views of the southern neighbourhood respondents and EU respondents was possible on 19

items, among which the views of southern respondents converged with the views of non-southern respondents 16 times. The close to identical views expressed by respondents from the two sides of the Mediterranean reflect a great deal of common understanding and the emergence of a Euro-Mediterranean public space, where views about security, growth and culture are widely shared.

The three cases of divergence between EU and southern neighbourhood respondents are significant in illustrating different approaches of the two groups. First there is question 10 (see graph 1), asking about ways to support reforms in good governance, democracy, the rule of law and human rights. While the majority of EU respondents selected conditionality and assertiveness vis-à-vis southern governments, southern neighbourhood respondents selected stronger engagement with civil, social and economic actors. The underlying difference is between respondents from the Southern Mediterranean who prefer persuasion and incentives over assertiveness, which is supported by non-southern respondents.

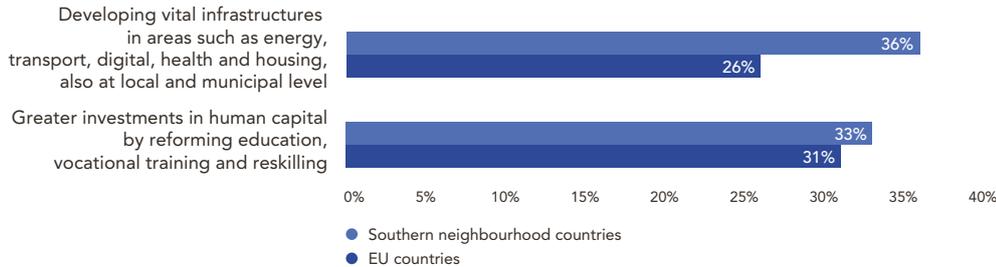
Graph 1: Q.10 When it comes to supporting reforms in the fields of good governance, democracy, the rule of law and human rights (Ranked as first option)



Source: Compiled by the IEMed based on the results of the EuroMeSCo Euromed Survey

Then there is question 12 (see graph 2), asking about ways to foster inclusive economies in the south. While EU respondents selected investment in human capital, southern neighbourhood respondents opted for developing vital infrastructures in energy, transport, digital, health and housing. EU respondents tend to adhere to a liberal notion of empowerment, where educated and skilful poor can self-help limit their economic marginalisation. Southern neighbourhood respondents, on the other hand, adhere to a more traditional approach, where public spending and investment in public works is the answer to the question of economic inclusion.

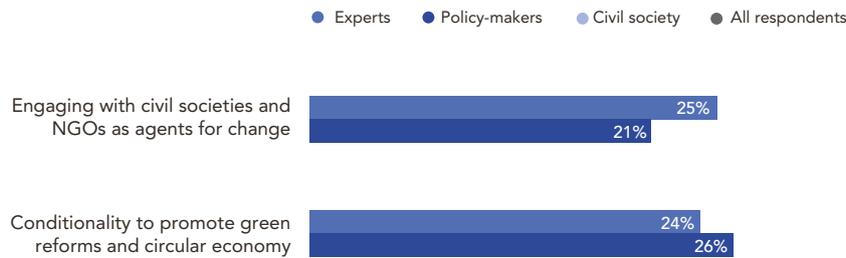
Graph 2: Q.12 Most effective ways to foster more inclusive economies in the southern neighbourhood countries (ranked as first option)



Source: Compiled by the IEMed based on the results of the EuroMeSCo Euomed Survey

Finally, there is question 17 (graph 3), asking about effective ways to support green and sustainable transition in the south. While EU respondents selected conditionality to promote green reforms and circular economy, southern neighbourhood respondents selected engaging with civil society. Divergence between the two groups corresponds to the observed traditional trends, where non-southerners tend to opt for conditionality, while southerners tend to resist conditionality as a type of unwelcome pressure and interference.

Graph 3: Q.17 Effective ways to support the green and sustainable transition in the southern neighbourhood countries (Ranked as first option)



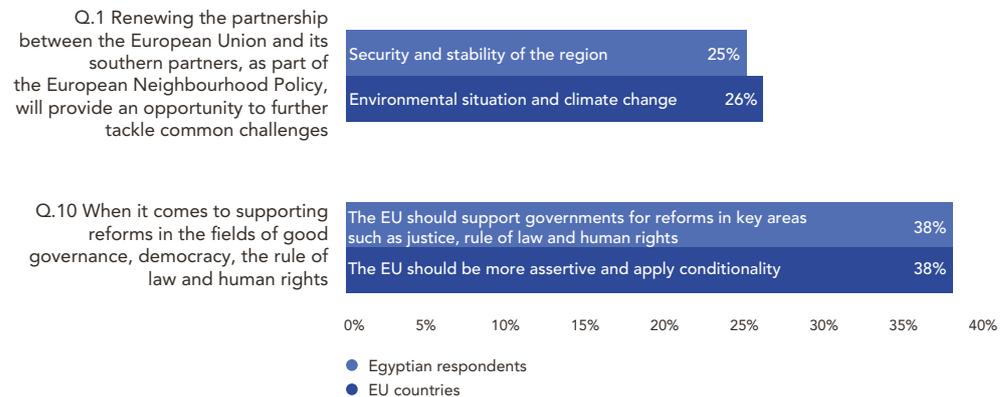
Source: Compiled by the IEMed based on the results of the EuroMeSCo Euomed Survey

Respondents from Egypt, however, reveal a greater level of divergence. On the compared 19 items, the first choice selected by Egyptian respondents was different from the choice of the EU respondents six times. While non-southern respondents tended to put more emphasis on civil society, human capital, the private sector and reform, respondents from Egypt tended to put more emphasis on government, infrastructure, security and financial assistance.

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Graph 4: Divergent views of EU and Egyptian respondents (top options in %)



Source: Compiled by the IEMed based on the results of the EuroMeSCo Euromed Survey

Views of Egyptian respondents also reflect Egypt's struggle with chronic poverty and sluggish development, which creates a strong pressure for centralised mobilisation of resources towards rapid growth (see graph 5).

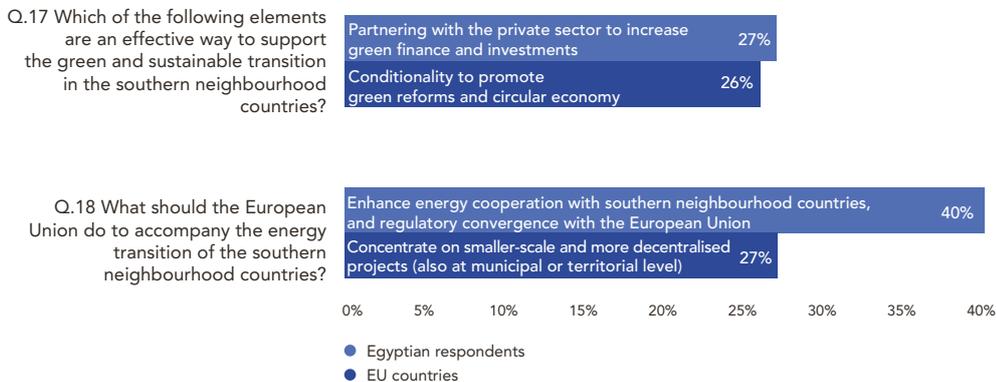
Graph 5: Divergent views on sustainable and inclusive economies EU and Egyptian respondents (top options in %)



Source: Compiled by the IEMed based on the results of the EuroMeSCo Euromed Survey

However, the divergence on question 17 is really interesting (see graph 6). Question 17 asks about the means to support green and sustainable transition in the south. While EU respondents selected working with the private sector, Egyptian respondents selected conditionality. This is the only case where Egyptian respondents supported conditionality, which can be interpreted as an indication of how important the environment is for middle-class educated Egyptians. It could also be argued that it is unlikely that a government so preoccupied with economic growth will pay enough attention to the environment unless lobbied by external partners.

Graph 6: Divergent views on green agenda EU and Egyptian respondents (top options in %)



Source: Compiled by the IEMed based on the results of the EuroMeSCo Euromed Survey

However, the Survey reveals that, notwithstanding divergences, certain policy directions receive the agreement of different groups. These include:

- Promoting an inclusive socioeconomic agenda and sustainable and inclusive development. The political turmoil of the recent past has been instrumental in making the case for inclusive and sustainable development to face the risks of exclusion and marginalisation.
- Corruption, insufficient governance and institutional capacity are obstacles to growth and regional integration. Views around the Mediterranean might be different regarding democracy and rights. However, the agreement on governance and institutionalisation helps to bridge the gap between the two shores.
- Importance of establishing networks and platforms to link civil society actors. Although differences exist regarding the political role of civil society, there is a greater agreement vis-à-vis its developmental role.

- Building economic opportunity and addressing root causes of irregular migration. This is an area where the EU and the southern countries are in a clear win-win situation.
- Adapting education and training to requirements of digitalisation. There is a shared agreement that digitisation is the wave of the immediate future. It is an area in which the Southern Mediterranean turns north in search of knowledge and expertise.
- The importance of promoting green reforms and circular economy. Even though the Southern Mediterranean is occupied with economic growth, there is sufficient understanding of the importance of green economy and recycling. The EU has established itself successfully as the global champion of the protection of the environment. Southern partners appreciate this reality, and are ready to make use of it.
- Promote sustainable water security. Water scarcity is a concern for many nations in the southern neighbourhood, and the EU is invited to play a constructive and effective role addressing this vital issue.
- EU members should unify positions and speak with one voice. Such a wish can hardly be met. However, agreement on this issue reflects the losses and missed opportunities caused by divisions among EU members.