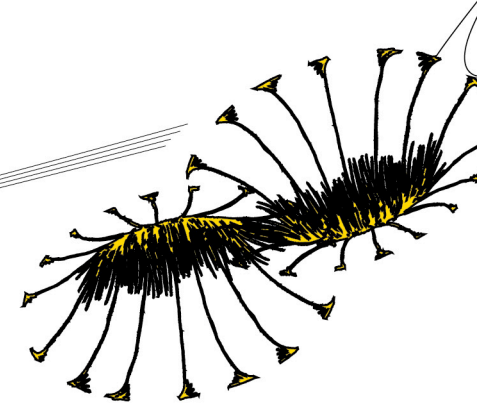
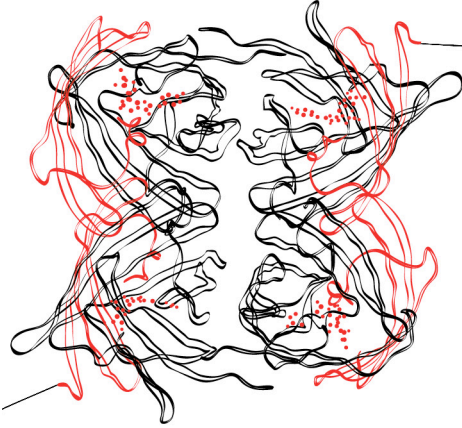




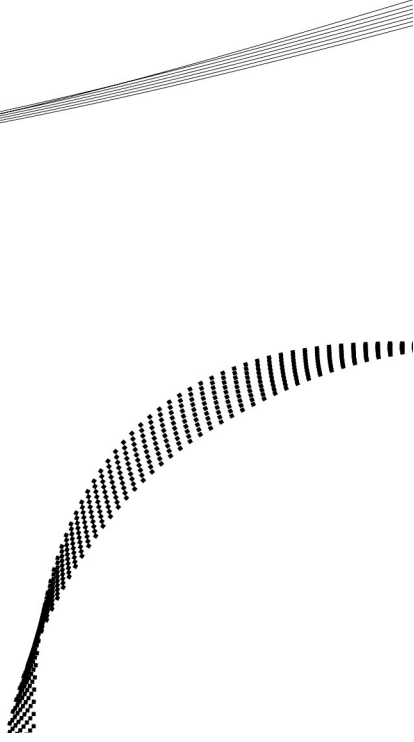
ASSESSING THE IMPACT OF EU NEIGHBOURHOOD POLICIES ON DEMOCRATISATION IN MOROCCO AND EGYPT

Bachelor Thesis



Simon Rosenkötter - s0194069
Goethestraße 23
59269 Beckum
Germany
srosenkoetter@online.de

1st Supervisor: Dr. A.K Warntjen
2nd Reader: Dr. M.R.R. Ossewaarde



Abstract

Since the early 1990s the European Union has tried to promote democracy, human rights and the rule of law in its neighbouring countries with varying success. This paper assesses what influence on democratisation the EMP and ENP have had in Morocco and Egypt from 1994 to 2010 and attempts to explain why there are differences. This study uses the external incentive theory by tracing the development in both countries and then applying Mill's Method of difference in order to find possible causes. The study finds that the incentives offered by the EU are likely to influence the level of norm adoption to a certain extent. Another key factor seems to be economic dependence of the target countries on Europe.

Table of Contents

Introduction	4
Literature Review.....	6
Theoretical Background.....	8
Three explanatory models	8
Implications for this study.....	9
Alternative explanatory factors.....	9
Methodology.....	10
Research Design.....	10
Case Selection	11
Operationalization and Conceptualization.....	12
Data collection	15
Political Development in Morocco and Egypt	15
The Political Development of Morocco	15
The Political Development of Egypt	17
Testing the Hypotheses	18
Size of Rewards	18
Financial Incentives	18
Non-financial Incentives	19
Political Costs.....	20
Economic Development	21
Economic Liberalisation.....	23
Economic Dependence.....	25
Discussion and Conclusion	25
Bibliography.....	28

Introduction

The Enlargement Process is regarded as one of the most successful foreign policy instruments of the European Union (Dannreuther, 2006; Schimmelfennig & Scholtz, 2008; European Commission, 2003). The success in terms of transforming the political and socio-economic landscape in candidate countries is largely attributed to the clear incentive of eventual membership (Schimmelfennig & Scholtz, 2008). However, when the EU deals with neighbouring countries within the framework of the European Neighbourhood Policy (ENP), and before that of the Euro-Mediterranean Partnership (EMP), the incentive of membership is not used. Membership has in fact been ruled out for “non-European Mediterranean partners” (European Commission, 2003 p.5).

Can the European Union convince neighbouring countries to adopt the reforms that the Union would like to see without this incentive? Are countries willing to give up some sovereignty if the benefits of doing so do not include membership?

From the inceptions of the ENP many commentators have been rather sceptical how much of an effect the policy will really have (see for example Del Sarto & Schumacher, 2005; Kelley, 2006, pp.41-46; Schimmelfennig & Scholtz, 2008, p.211; and Smith, 2005, p.764-765).

What makes the EU policies towards the Mediterranean particularly interesting is that they have put increasingly more emphasis on human rights and democratization since the end of the Cold War and especially since the late 90s and early 2000s. As is visible in the Global Mediterranean Policy from 1973 the European Union focused solely on economic and financial co-operation and trade. The first tentative steps towards the inclusion of human rights, democracy and rule of law were made with the adoption of the Renovated Mediterranean Policy in 1990. This was later solidified in the Maastricht treaty where these elements were clearly formulated as objectives of the European common foreign and security policy. In the Barcelona Declaration¹, which was signed in late 1995, these norms are particularly prominent in the section on Political and Security Partnership where it says that the participants agree to “*act in accordance with the United Nations Charter and the Universal Declaration of Human Rights [...], develop the rule of law and democracy in their political systems [...], respect human rights and fundamental freedoms*”. Furthermore, the Association Agreements with each country clearly state that adherence to these values is crucial for the relations between the partner countries and the EU². The Commission communication on human rights and democratisation in the Mediterranean region from 2003 highlights that the EU was not satisfied with the results that had been achieved up to that point and saw it necessary to strengthen its position and actions with regard to those values. This was taken up again in the European Neighbourhood

¹ The Barcelona Declaration established the EMP.

² Refer to Article 2 of the Agreements.

³ An excerpt of this speech can be found on: <http://news.bbc.co.uk/2/hi/world/monitoring/408513.stm>

Policy. It can thus be argued that over time the EU's emphasis on norms such as the rule of law, democracy, and human rights has become stronger.

Yet, despite increasing engagement in countries to the south of the Mediterranean many argue that EU has not had much of a transformational impact in the region.

Researchers have come up with at least three reasons why this may be the case. One is that security concerns, especially after 9/11, have dominated EU-North African relations (Joffe, 2008; Youngs, 2002). The second is a strong resistance in many North African countries to outside interference in national policy (Bendiek, 2008; Comelli, 2010,p.5). The third frequently mentioned reason why the European measures for political and social reform in the region may not have been successful is that the plans set out in the Barcelona Process, as well as in the ENP, are often vague and unclear about how these goals are to be achieved and which goal takes priority (Youngs, 2002, 2005). While these factors are interesting and need to be kept in mind, this study will focus on what the European Union has achieved in terms of democratisation and norm adoption in Morocco and Egypt and how the different development in both countries can be explained.

The European Union's appears to have been somewhat more proactive regarding economic reforms (Kausch, 2008, p.3) and it has been somewhat more successful in this area (Dannreuther, 2006) even if the effects of economic reforms have not always reached the whole population of the targeted countries (as can for example be seen in Egypt (Comelli, 2010).

To sum up, the EU clearly emphasizes the importance of democratisation, the rule of law and human rights in its policy documents regarding the region. Yet, observations so far have usually come to the conclusion that countries in the MENA region have been reluctant to adopt these European norms. It is, however, notable that some countries are more willing to adopt norms than others. Morocco and Egypt serve as good contrasting examples for this. Generally speaking Morocco is seen as having made more progress than Egypt. Additionally, Morocco has in the past displayed more willingness to cooperate with Europe (and the United States) and sees itself as a link between the Western and Arab world. This was highlighted by the current Moroccan king in his first national address in 1999 for example.³ Egypt on the other hand has shown resistance to outside interference.

The aim of this study is to find out whether the European Union's efforts to promote democratisation in the region through the EMP and ENP have been successful and what factors limited norm adoption in the region. The research question is thus:

RQ: Does the EU's emphasis on norms and values in the EMP and ENP result in the adoption of these in Morocco and Egypt?

In order to answer this question several sub-questions will be addressed.

First the situation in Egypt and Morocco at the beginning of the neighbourhood programmes will have to be regarded and the development that has occurred since the first agreements will have to be mapped. Then possible reasons and the motivations for these changes or the lack of change will have to be identified and considered.

³ An excerpt of this speech can be found on: <http://news.bbc.co.uk/2/hi/world/monitoring/408513.stm>

To be clear this paper seeks not to establish whether the EU has become more successful in promoting democracy and other EU norms in the region over time, but whether it had an effect at all and what may have led to or hindered the adoption of European norms in Morocco and Egypt.

Literature Review

The literature review will be structured as followed. First a general overview of some expectations and critical assessments regarding the EMP and ENP will be given. This is followed by a brief overview of assessments regarding the development of Morocco and Egypt.

The European Neighbourhood Policy and its predecessor for the Mediterranean region, the Euro-Mediterranean Partnership or Barcelona Process, have been the European Unions' key tools for dealing with neighbouring non-member states. The aim of these policies was and is to create "a region of peace, security and shared prosperity". However, many scholars have criticised these policies for being too ambitious and, in the case of the EMP, failing to reach its targets (see for example Del Sarto & Schumacher (2005)).

There is broad agreement that the Barcelona Process was "hijacked", as Youngs (2005, p.2) put it, by the breakdown of the Middle East peace process. This led to discussion within the EMP group that focused more on the Middle East peace process rather than political reforms in the partner countries.

Other reasons include the relative reluctance on part of the European Union to actively criticise human right violations and the lack of democratisation (Youngs, 2005). This reluctance can be seen for example in the fact that despite having the ability to use negative conditionality, the EU never made use of this tool (Del Sarto & Schumacher, 2005, p.22).

Secondly, Youngs (2005, p.2) points out the dispersal of MEDA aid⁴ has been uneven. Assistance did not always go to the most reform willing countries and apparently it made no clear distinction between progressive partner countries and those that lacked behind.

The European Neighbourhood Policy came into existence in 2004 and represented an attempt to deal with neighbouring countries without offering them membership. It not only includes the southern Mediterranean countries but also the Eastern European neighbours. With regards to the countries in the MENA region the ENP is not there to replace the EMP, but rather to supplement it. Therefore it may not come as a surprise that the targets and goals do not defer much from those of the EMP.

It is, however, argued that the ENP addresses some of the shortcomings of the Barcelona Process. First of all the policy approach shifts from, what Del Sarto and Schumacher (2005, p.21) call, "regionality" to a more differentiated bilateral relation between the EU and the different Mediterranean neighbour countries. This is arguably

⁴ The MEDA Programme was the financial and technical support tool offered by the EU to the partner countries within the EMP.

an improvement as it allows for more individualist agreements (Dannreuther, 2006) and MENA countries do prefer not to be grouped together with each other (Pace, 2007). However at the same time bigger differentiation may hamper the process of creating a coherent region and additionally make it more difficult for the EU to act as an even-handed broker in the region (Del Sarto & Schumacher, 2005). Furthermore, closer cooperation among southern Mediterranean countries would also be favourable because it could lead to a learning effect and a sharing of best practices and thus help the European Union in spreading norms and values.

A second improvement is that the ENP offers in theory better incentives for the neighbouring countries to comply with EU norms. The most convincing of these incentives is arguably a bigger stake in the internal market of the EU and generally closer cooperation (Kelley, 2006). However, many scholars argue that the incentives on offer as well as the priorities listed in the Action Plans of the ENP are rather vague (Dannreuther, 2006; Del Sarto & Schumacher, 2005; Kelley, 2006). Del Sarto and Schumacher (2005) further argue that the inclusion in the internal market is especially unlikely for the MENA region countries as their main goods are by and large agricultural products. In the past EU Member States have been very protective of the internal market especially with regard to the agricultural sector, so it seems unlikely that the Member States are willing to completely open the internal market to cheaper goods from the south.

How did the EMP and ENP affect specifically the two countries that are the main focus of this study, Egypt and Morocco?

Morocco is widely regarded and often highlighted as one of the few true reformers in the region, yet many scholars such as Youngs (2002) disagree with that assessment. Kausch (2008) too, contests the notion that Morocco is as progressive as it is made out to be and argues that most political reforms have been of a rather cosmetic nature, with the power remaining tight in the hand of the Palace. She further argues that EU does not exert too much pressure on the ruling elite since Morocco is seen as a stabilizing and moderating actor in the region and thus the EU prefers the status quo as not to risk the stability for the sake of more democracy (Kausch, 2009). Morocco itself wants to be seen as a progressive actor and seeks closer cooperation with the EU; the EU does take advantage of this and pushes more strongly for norm adoption (Kausch, 2009). Despite this criticism, it is clear that Morocco has made some progress in terms of democratisation and norm adoption.

The impact of the ENP and EMP in Egypt is seen to have had only very limited effect in terms of democracy promotion and civil liberties. Comelli (2010) asserts that the Egyptian regime, much like other regimes in the region, has rejected any outside interference in internal matters. Egypt has if anything become less open to real reforms over time, with the exception of a brief interlude around the 2005 elections (Comelli, 2010). One of the few areas where it was moderately successful was in area of economic liberalization, however, Comelli (2010) argues, that it was mostly the elites who profited from the opening of the economy while leaving the rest of the population behind. Despite this apparent lack of reforms Egypt, alongside with Morocco, was the largest recipient of EU MEDA funds (Youngs, 2002). Thus it is not surprising that Egypt saw its involvement in the EMP mainly as a way to get additional funds from the EU (Demmelhuber, 2007). Notwithstanding this, Demmelhuber (2007) points out, that the European Union has been more adamant regarding the inclusion of democracy promotion measures in the Action Plan for

Egypt. The goal of democratisation may therefore not be completely replaced by calls for stability and security as some scholars argue.

Theoretical Background

This section on the theory behind the process of adopting norms and values is structured as follows. First three common models that can explain the adoption of norms and values will briefly be described. These models are a) the external incentive model, b) the social learning model, and c) the lesson-drawing model. The choice for the external incentive model will then be justified and hypotheses will be drawn from it. Having done so alternative explanatory factors that may lead to the adoption of norms and values will be discussed.

Three explanatory models

The *external incentive* model builds upon the assumption that a government will always attempt to maximise utility and increase their power and welfare. Whether or not a government adopts norms here depends on how it perceives the costs and benefits of adoption. If the costs are too high, i.e. they threaten the government's power position, it is unlikely that it adopts the norms. If, however, the incentive is high enough, or the benefits for the government outweigh the potential costs then norm adoption is more likely (Schimmelfennig & Sedelmeier, 2004, p. 671).

The *social learning* model is based on the theory of constructivism. According to this model the actions of a government are shaped by its identity. The identity can be shaped through interaction with another government (Wendt, 1992). Ultimately, whether or not a government adopts norms depends on in how far it identifies itself with the government/institution that is the source of the norms. If the government sees the new norms as appropriate it is more likely to adopt them (Schimmelfennig & Sedelmeier, 2004, pp. 675-676).

The third model is the *lesson-drawing* model. The idea behind this model is that a government will adopt new norms if it becomes dissatisfied with the status quo and expects the new norms to help solve its domestic problems. Like with the social learning model incentives do not come into play (Schimmelfennig & Sedelmeier, 2004, p. 676).

The social learning model and the lesson-drawing model are empirically hard to grasp. The effects of social learning especially will be difficult to assess in a study that only covers a relatively short span of time since the process of identity formation is slow and incremental (Wendt, 1992).

This study will thus take the external incentive model as the basis for the analysis. Schimmelfennig and Sedelmeier (2004) have found that in the process of the eastern enlargement that this model best explained the transfer of rules from the EU to the candidate countries. Factors that influenced the rule transfer were the determinacy of conditions, i.e. how clear the rules and implications of it were, the size and speed of the rewards, the credibility of promised rewards and threats, and lastly the cost of adoption (Schimmelfennig & Sedelmeier, 2004, pp. 672-675).

However, it has to be noted that Schimmelfennig and Sedelmeier were concerned with the process in EU candidate countries. This study does not look at potential candidate countries but rather at partner countries in the EMP and ENP and in particular Morocco and Egypt, neither of which are likely to become part of the European Union. Furthermore the precise goals of the neighbourhood programmes are, as pointed out before, a lot less clear and precise, this of course makes the incentives for compliance more vague and the real costs uncertain (Sasse, 2007, p.10). Sasse (2007) argues that it is therefore necessary to not only look at the process of norm adoption purely with cost/benefit analysis in mind. Instead, she argues that socialization⁵ can play an important factor in the process of norm adoption as well. It can be argued that socialization is quite similar to the model of social learning. Socialisation influences not only the behaviour in the target country, i.e. Morocco and Egypt, but may also influence how the EU sees its neighbours (Sasse, 2007, p.21).

Implications for this study

This study will apply the external incentive model as the core theory to explain the adoption of liberal norms as promoted by the European Union or the lack thereof in Morocco and Egypt. This has clear implications for the hypotheses.

First of all it has to be noted that both countries are run by authoritarian regimes that are by and large unwilling to relinquish the powers they have acquired. It is unlikely that they are willing to adopt norms and values that may interfere with the existing power structure and affect their power status directly. Thus the first hypothesis is:

H₁: The higher the domestic political cost the less likely norm adoption is.

The second influencing factor is the size of the rewards. If the incentives offered by the European Union are regarded as beneficial to them by the elites or as non-threatening they will be more likely to adopt norms. Thus the second hypothesis is:

H₂: The bigger the incentives offered to a country the more likely norm adoption is.

Alternative explanatory factors

There are however also factors besides material bargaining that may influence the whether or not an actor becomes more liberal, more democratic and values human rights more. It is therefore also necessary to briefly highlight these factors that may lead to the adoption of those norms that the EU tries to promote.

There are two very strong factors that appear to play a central role in the liberalisation and democratisation of a nation. The first of these is the economic development of a nation (Lipset 1959, 1994). In general the more affluent a nation is the more likely it is that there are democratic institutions. Conversely, where there is economic inequality democracy is rarely found. It should be pointed out though, that affluence does not necessarily lead to democracy (Lipset, 1994, p.2). What this means for this

⁵ Socialization describes the process of adapting to another set of norms and accepted behaviours through interaction.

study is that the economic development in Morocco and Egypt may have influenced the development and adoption of norms and values:

H₃: If the economic development in a country is positive, a country is more likely to adopt liberal norms.

A second economic factor that can influence norm adoption is the existence of a free market (Lipset, 1994) and economic interdependence (Schimmelfennig, Engert, & Knobel, 2003). It is hypothesized that under these conditions a state is more likely to adopt more liberal norms. Thus the final hypotheses for this study are:

H₄: The more liberal the economy of a country is the more likely it is to adopt liberal norms.

H₅: The more dependent a country is on the EU market the more likely it is to adapt to liberal norms.

There are of course several other factors that may play a role in the adoption of norms, especially such norms as promoted by the EU. For example Lipset (1994) notes that countries with a British colonial past are more likely to be democratic than countries with a French colonial past. Curiously, Morocco, which used to be a French protectorate, appears to be slightly more liberal than Egypt, which has been under British rule for a short period of time. Secondly, Lipset argues that nations with an Islamic background tend to be less democratic. In the case of this study both countries share the same cultural background therefore it could be expected that the effect will be similar if it is true that Islam tends to be at odds with democracy and liberal norms and values. Furthermore while both countries are Islamic (the king of Morocco is in fact the spiritual leader of the nation), both countries are also rather secular.

Methodology

The methodology section will be structured as follows. First the research design will be specified and justified. The choice for Morocco and Egypt will be explained. Afterwards the variables will be operationalized and more closely detailed. Finally, a brief overview of the data collection will be given.

Research Design

The main part of this study will follow the design of comparative case studies between Morocco and Egypt. To be precise the study will look at each case separately in the first instance and trace the development in each country individually and then only at a later stage will both cases be compared. This has the advantage that by focusing first in detail on the development of each country over time, it should later be possible to make more precise statements about the causes of norm adoption or the lack thereof. Furthermore it will increase the internal validity.

The method that this study will apply to compare the two cases is Mill's Method of Difference or, as it is confusingly also known, the most-similar method. With this method it is ideally the case that both cases are similar in all but one independent variable and, of course, the outcome. However, as Bennett (2004) points out, this is

almost never the case, and as shown below in the section on case selection it is not the case in this study either. While Egypt and Morocco are similar in many respects such as type of government and cultural background, they differ in terms of how much willingness to adopt EU norms they have shown and dependence on Europe in general.

To get around this limitation of imperfectly matched cases the study will make use of process tracing. This method allows it to assess the significance of the differently matched variables and thus may make it possible to pinpoint the relevant variables and in that way strengthen the case. Furthermore, process tracing offers the possibility to highlight different causal paths that lead to the same outcome and thus limit the possible impact of equifinality (George & Bennet, 2005, p.214 -215) and as the name implies makes it possible to reconstruct the process that led from a hypothesized cause to the outcome (Bennett, 2004). In this particular case the process of political development in Egypt and Morocco will be traced and linked to the EU policies where possible.

Each case, that is Morocco and Egypt, will be analysed in detail by itself in order to get a clearer picture of the causal relations at work in each country. In each case the political as well as economical developments will be reviewed in order to get a better understanding of how each country changed since the inception of the EMP. Doing so will make it possible to see when and how European efforts may have been in effect. To verify this, the observation will be compared to what is said in implementation and progress reports of the European Union regarding Morocco and Egypt.

This study will cover the time between the inception of the EMP in 1995 and the last available process report in 2010. Studying the developments over time and not just comparing the initial conditions to present conditions makes it possible to attribute certain changes to certain events (Gerring, 2006, p.224).

For the most part this study will focus on the European Union's actions and will not include bilateral agreements between individual Member States and Morocco or Egypt.

Case Selection

This study will focus on the cases of Morocco and Egypt, because they represent two extremes when one considers norm adoption, that is the dependent variable of this study, and economic dependence, but are aside from these two factors rather similar. A relatively autocratic government rules both countries and though Morocco has made some progress recent development indicate that the king has gained more power again. The situation in Egypt has changed very little aside from a brief spell of more political freedom around the 2005 election.⁶ The Freedom House (FH) rating indicates that both countries have changed very little since 2002 (the earliest available FH Country Reports). Egypt improved from a Civil Liberties rating of 6 in 2002 to 5 in 2010, while the Moroccan society has seen a similar increase in Civil Liberties from 5 to 4. In terms of Political Rights Egypt's score has remained unchanged at 6 over the past eight years. Morocco has not seen any improvement in this category either and remained at a rating of 5. Judging by this brief overview one could assume that the outcome of the European Union's efforts is rather similar despite different

⁶ Information retrieved from the most recent Freedom House country reports.

initial conditions in each country. Yet according the Country Reports and Progress Reports of the European Union, Morocco has made important steps towards democratisation over the years and while these may not have resulted in a significant change in the FH ratings they do highlight that Morocco has been more progressive than Egypt, for example. This disagreement between the Freedom House and the European Union can possibly be explained by the different criteria used. Thus instead of focusing on the numbers that Freedom House reports this study will pay more attention to how FH evaluated specific reforms and contrast these with the assessments of reforms found in EU documents.

The following two paragraphs give a brief overview of the relation between the two countries studied here and the European Union.

Morocco is widely regarded as one of the most reform willing countries in the MENA region (excluding Israel) and in the past has shown interest in closer cooperation with the European Union. In 1987, for example, Morocco has applied for EU, or rather EC membership, but this was declined, as Morocco was not seen as a European country. In economic terms Morocco has a strong linkage to the EU Member States, especially France. Most of its exports to the European Union consist of agricultural products and textiles.⁷

These goods would be more difficult to export to other markets in the region as the pattern of goods produced look very similar, thus Morocco can be considered very dependent on the European market, according to Bendiek (2008). Overall one can consider Morocco to be more willing to cooperate with the European Union.

Egypt on the other hand has shown few signs of bowing to reform demands from the European Union and has undertaken few steps to come closer to the EU's position. While Egypt does appear to have accepted some economic liberalization, outside interference in political matters has been strongly rejected (Comelli, 2010).

Unlike Morocco, Egypt does not depend so much on the European market for its exports. In 2009, 54.5% of Egypt's exports to the EU consisted of fuels⁸. For these products Egypt could easily find different markets. Therefore it is fair to say that Egypt represents a less reform willing case and shows less dependency on Europe.

Operationalization and Conceptualization

Some of the concepts and variables that will come into play in this study are inherently difficult to conceptualise and while this study tries to cover as many intervening variables as possible it will be difficult to uncover and analyse all. The variables that are covered here appear to be the most relevant. Table 1 gives an overview of the relevant variables and indicates how they might influence the decision of a government to adopt norms.

The dependent variable of this study is *norm adoption*. This concept is similar to that of compliance, but in this study it will be defined as how many steps a country has

⁷ See: <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/morocco/>
Accessed on April 2, 2011

⁸ See: <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/egypt/>
Accessed on April 2, 2011

taken in the direction of adopting central European norms, such as rule of law, democracy and good governance. Given that both cases of this study are governed by a strongly authoritarian regime, which by and large do not appear to be too willing to give up some powers, even small changes in terms of democratisation and other norms should be considered important.

There are three possible outcomes for this variable; 1) a country adopts norms, 2) a country does not adopt norms, and 3) a country moves further away from the norms. How will this be measured? On the one hand this study will look at how the European Union defines democratisation and how it evaluates the progress the countries have made. In the communication COM (2006) 421 of the Commission to the Council the following definition can be found:

“Respect of human rights and fundamental freedoms (including freedom of expression, information and association); support for democratization processes and the involvement of citizens in choosing and overseeing those who govern them; respect for the rule of law and access for all to an independent justice system; access to information; a government that governs transparently and is accountable to the relevant institutions and to the electorate; human security; management of migration flows; effective institutions, access to basic social services, sustainable management of natural and energy resources and of the environment, and the promotion of sustainable economic growth and social cohesion in a climate conducive to private investment” (cited in: Smith (2008 p.155)).

While this gives us a clearer indication of what the European Union is expecting, this definition is still rather vague. Therefore the country reports of Freedom House are another indicator that will be used to assess the progress of democratisation. The indicators Freedom House uses to assess the level of democracy and freedom largely overlap with the definition given by the Commission, although they include some additional factors not found in the definition of the Commission, such as universal suffrage and Freedom House puts more emphasis on equality for minorities. The advantage of using Freedom House data is that they highlight changes from year to year, while the European Union only puts out reports every other year. Therefore this data will make a more detailed picture possible.⁹

Next we will turn to the independent variables mentioned in the hypotheses.

The first is *political costs*. Political cost is here defined as the perceived cost that a partner country faces if it were to adopt the norms and values that the EU promotes. Given that both governments are authoritarian in their nature with strong will to remain in power it can be expected that opening up towards more democracy is unlikely since it may threaten their position and will thus be in conflict with their interests. Therefore the cost of completely adopting European norms and values are likely to be high for both. To measure these this study will compare the existing structures to the demands brought forward by the EU. A good indicator should be the freeness of elections and the independence of the judiciary. Both of these will also allow it to make statements regarding the level of norm adoption as they are intrinsically linked to democracy and the rule of law.

⁹ Information retrieved from:

http://www.freedomhouse.org/template.cfm?page=351&ana_page=363&year=2010

Size of rewards is the second variable that could influence the willingness to adopt norms. In theory, it could be expected that the bigger the incentive offered by the EU to the target country if it adopts the norms the more likely adoption is. The ultimate reward that the EU offers in the current ENP is a stake in the internal European market. As said before though this offer seems not very credible, therefore this paper will focus on smaller rewards that are or were offered through the MEDA and ENPI funds. To assess how big these rewards are this study will assess how much monetary and technical assistance went from the EU to the targeted countries and what kind of programmes/reforms were supported financially.

Turning now to the alternative explanatory variables mentioned in the last two hypotheses, economic development, economic liberalisation, and economic dependence.

Economic development will be measured in terms of GDP per capita, the annual growth in GDP, the unemployment rate and the Gini Index. The latter will be supplemented with a look at the exact income distribution in both countries. Based on these data it should be possible to map the economic development over time.

To assess the level of *economic liberalisation* this study will look at how high the barriers for trade are and to what extent foreign investment is possible. It could be argued that if the development in both of these areas is positive, i.e. less restrictions and more foreign investment, it should be possible to observe an increase in trade volume. This study will use the level of foreign direct investment (as a share of GDP) and the amount of imports and exports in general as indicators for economic liberalisation.

This paper will also take into account the level of corruption as an indicator for economic liberalisation. The Transparency International Corruption Index will be used¹⁰ to chart the development of corruption over time. A higher corruption perception score is interpreted as a more positive development.

The last variable, *economic dependency* is quite straightforward. For the purpose of this study I will focus on dependency of the targeted countries on Europe. If the largest share of a country's imports comes from the EU and much of its exports go to the EU, it can be assumed that the country depends on Europe. However, the type of goods traded has to be taken into account. For some goods there might be other trade partners outside the EU that could replace it. This would lower the dependency rating.

Test Variables	Expected impact on norm adoption
Political cost	-
Size of reward	+
Economic development	+
Economic liberalisation	+
Economic dependence	+

Table 1 - Overview of expected causal relationship. Variables are always to be read as "The higher/greater the..." i.e. the higher the political cost the smaller the likelihood of norm adoption.

¹⁰ It should be noted that this index has come under criticism. This study will make use of it despite this because CPI is commonly used by the European Union as well.

Data collection

The first part of the study will cover the development of the European policies towards the Mediterranean region. First the core features Euro-Mediterranean Partnership and the European Neighbourhood Policy will be assessed in order to find out what the European Union's main motives and goals are for the region. Attention will also be paid to strategy papers and communication regarding the region.

Further each Action Plan and progress report for Morocco and Egypt respectively will be assessed to highlight the declared joint goals of these countries and the European Union. By studying the progress reports it is also possible to find out the EU's opinion on the development in these countries. These opinions on development will be supplemented by the yearly country reports of Freedom House where possible in order to validate the EU's reports.

As an additional indicator for the EU's core focus this study will draw on MEDA and ENPI documents to find more clues on what the European Union's funding priorities are.

For the variables relating to economic factors this study will again look at the relevant EU documents and further assess information provided by the World Bank and WTO. This should make it possible to map the development of the economy in each country over time.

Political Development in Morocco and Egypt

In this chapter the political development in Morocco and Egypt since the early 1990s will be outlined and briefly evaluated to form the basis for the analysis of the hypotheses that follow afterwards.

The Political Development of Morocco

Even before the Kingdom of Morocco signed the Barcelona Declaration it took some tentative steps towards becoming a more democratic and liberal state. For example the constitutional reforms of 1992 and 1996 conferred slightly more power to the two-chamber parliament and the 1996 Constitution recognizes the importance of human and political rights. On the other hand the elections of 1993 are seen as fraudulent (Haddadi, 2002), p.155) and the opposition refused to join the government. In the same year Morocco signed the major human rights conventions and established the Ministry of Human Rights.

In the following year, 1995, Morocco signed the Barcelona Declaration showing its will to work with the European Union. In 1996, Morocco signed the Euro Mediterranean Association Agreements, which entered into force in 2000 and formed the basis for the Moroccan Action Plan under the ENP in 2005.

Meanwhile, Morocco made several steps towards democratization, including reforms regarding the judiciary and outlawing torture. Preceding the elections of 1997 an electoral reform was undertaken. Notably, opposition groups were included in the reform process, which highlights a gradual opening of the political system. (In Moroccan politics most of the power lies traditionally with the King and a close circle of elites, called *mahkzen*.) The 1997 elections turned out to be very notable as it saw the opposition party taking power. This was a first in the Arab world, according to Haddadi (2002,p.157).

Despite King Hassan II's death in 1999 the process of reformation continued under his successor, King Mohammad VI. One of his first actions was to dismiss former Interior Minister Driss Basri, who was widely regarded as a hindrance to political reformation.

The next elections in 2002 are regarded as the most transparent and free elections in the country up to that point, however the turnout was very low (51%). The most surprising outcome of the elections were the massive gains of the Party of Justice and Development (PJD). The PJD is a moderate Islamist party, which in the previous elections only found marginal attraction and according to Willis (2004) made the curious decision to limit the number of districts in which it participated. Willis (2004, p.63) states that it was forced to do so by the Ministry of Interior, but also cites the leadership saying that the party did not want to destabilize the country as a clear victory of the PJD might have had. The PJD still turned out to be the biggest party in parliament, but decided to go into opposition instead.

The European Union meanwhile notes the elections 30 women and is also positive about other developments in terms of freedom of association and expression as well as the move by the government to promote the Berber culture, a minority group which in previous years faced discriminatory laws.

On May 16, 2003, Morocco suffered a series of terrorist attacks in Casablanca, to which it responded by passing new anti-terrorist laws that were formulated very broadly and gave the police forces more power. While Freedom House notes that this law may have an impact on the political rights in Morocco because it is so broadly formulated as to include even peaceful political activity, the Commission (European Commission, 2004) on the other hand is of the opinion that the law this won't have an effect on the democratisation process.

Another major step towards human rights was the establishment of the Equity and Reconciliation Committee (IER) in 2004. This committee was tasked to compensate and rehabilitate victims of human rights abuses done unto them by the ruling elite between 1956 and 1999. The European Union has lauded this development but was critical of the slow and lacking implementation of the recommendations brought forward by the IER¹¹.

The European Commission (2008) praised the 2007 parliamentary elections for being fairer and freer than before and it welcomed Morocco's willingness to have international observers monitor the election. However, the turnout for the 2007 elections was even lower than for previous elections with only 37%. According to the Commission this was because voters had little faith that their votes matter and thus, the Commission argues, parliament should be strengthened in order to overcome this disenchantment with democracy.

Over the next two years more steps towards democratization were taken in the form of further electoral reforms, reforms to the judiciary, implementation of anti-corruption measures and further commitments to human rights conventions. The EU welcomed these measures, but remained persistent that more remains to be done and criticizes that some of these measures were only half-heartedly implemented.

Overall, it is clear that Morocco has gradually moved towards the adoption of norms and values that are also promoted by the European Union. While it is possible to argue that the changes made in terms of democratization are only of limited scope as

¹¹ See ENP progress reports for Morocco 2007, 2008 and 2009

long as the King remains as central to the government as he is, it is nonetheless important to note that these changes are important and do highlight that Morocco is comparatively more open to liberal changes than other states in the region.

The Political Development of Egypt

Unlike Morocco, Egypt only saw little movement in terms of political development. A large factor contributing to this was the continuous extension of the state of emergency, which has been in effect without break since 1981. The emergency law severely restricts constitutional rights and basic freedoms such as the freedom of press, association and assembly. It further allowed the government to arrest and detain anyone who acts against the interests of the state without charge, a practice that is very common according to the evaluation report of the MEDA Democracy Programme 1996-1998 (Karkutli & Bützler, 1999). Constitutional amendments and plans to replace the emergency law with an anti-terrorist law were made in 2007, but these plans were scrapped in 2008 and the emergency law extended for another three years. These moves were heavily criticised by the Commission in the ENP progress report of 2008.

Elections, whether they are parliamentary elections or presidential elections, have come under a lot of criticism as well. Over the course of the years covered in this study only marginal progress has been made to have freer, fairer and more transparent elections. In 2000 Egypt's Supreme Court of Justice declared the 1990 and 1995 parliamentary elections unlawful, which led to new elections in the same year to be held for the first time under judicial supervision. Internal and external pressure led to a brief political opening in 2004 and 2005. The first contested presidential elections were held in 2005, however the candidates were screened by the NDP, the party of president Mubarak. Thus the ruling party was effectively able to decide who was allowed to run for president. The main challenger of President Mubarak, Ayman Nour, was arrested shortly after the elections and detained until 2009.

The parliamentary elections of 2005 are also notable because in line with the political opening the opposition could make some significant gains in the elections. The Muslim Brotherhood (MB), an Islamist party, managed to win 88 seats, thus becoming the largest opposition group. The interesting thing is that the MB is de facto banned from taking part in politics, as parties based on religion or ethnicity are not allowed according to Egyptian law. MB candidates therefore run as independents. As a response to the losses in the elections the government moved quickly to roll back the political opening and cracked down on opposition parties, in particular targeting the Muslim Brotherhood (Freedom House, 2007). Surprisingly, the European Union did not voice concerns about the clampdown in the aftermath of the election.

In 2007, constitutional amendments were made to incorporate some of the powers that the president has under the emergency law, and the judiciary was not allowed to overview elections anymore thus thwarting any hopes of political liberalisation.

As is constantly criticised in the ENP progress report, Egypt has made little progress with regard to human rights. While the Commission notes the important work done by the National Council of Human Rights, which was established in 2004, and comments positively on the increasing public discourse on human and political rights, any progress remains limited due to the emergency laws.

To sum up it can be said that the Egyptian government has been very reluctant to allow political liberalisation to take place. If steps towards democracy and human rights were undertaken these usually were taken back once these changes impacted the government's power-base.

Testing the Hypotheses

Have the EU policies contributed to the comparatively positive development of democracy and human rights in Morocco? If so, why is Egypt lagging behind? To answer these questions the five hypotheses laid out in the theory section will be tested in this chapter.

Size of Rewards

It is often argued that governments are more likely to follow the demands of another government if the rewards offered for doing so outweigh the cost. For this study it means that rewards offered through the EMP and ENP should - if they are large enough, or of the right kind - influence Morocco's and Egypt's willingness to cooperate positively.

Financial Incentives

The EU did not formulate any clear incentives in the Barcelona Agreement of 1995. While there are general goals and commitments, most notably the establishment of a free trade area by 2010¹², the agreement lacked clear rewards for the target countries. However, by 1996 the European Union established a financial assistance programme called MEDA I. The aim of this programme was to help the countries that were part of the Barcelona Process to fulfil the general goals of the Barcelona Agreement. Morocco and Egypt have nominally received the largest amount of aid through this programme. In the period between 1996 and 1999 the European Union committed €660 million to Morocco and €686 million to Egypt. To most other countries in the region the EU committed only about €200 million. While this may seem like a lot it has to be noted that the EU fell short of these commitments by quite a margin. Morocco ended up receiving only 19% of the commitments while Egypt only saw 23%. According to Commission report on the implementation of the external assistance programmes this was largely because of poor implementation and lack of optimisation (European Commission, 2001) p. 73). To tackle this problem MEDA II was initiated in 2000. The programme ran from 2000 to 2006 and an improvement in terms of commitments being met by payments can indeed be observed with Morocco receiving as much money as was committed and Egypt receiving 17% more than committed. By the end of the programme period Egypt had received some €695 million and Morocco €917 million.¹³ From 2007 onwards all Mediterranean countries fell under the umbrella of the European Neighbourhood and Partnership instrument (ENPI), that is the financial assistance programme of the ENP. For the period between

¹² To date this goal has not been reached.

¹³ All data retrieved from: http://eeas.europa.eu/euromed/docs/meda_figures_en.pdf

2007 and 2010 the EU committed €654 million to Morocco and €558 million to Egypt.

For the purposes of this study it is important to note that the bulk of the money was not designated for promoting democracy and human rights directly, but rather aimed at assisting the economic development of Morocco and Egypt, help with social development, i.e. education and health, and aid the institutional reform progress. To give an example from the period of 2007-2010, 93% of the ENPI for Egypt was planned to go towards the development of the economy and social development, in particular in support of public health and education reform. Only 7% went towards reforms in the areas of democracy and human rights (European Commission, 2007, p.38) In Morocco the picture looks much the same. This distribution of funds was not particular to the ENPI however. During the period of MEDA I and II funding priorities followed a similar pattern.

Whether this is a sign of conditionality at work, i.e. there is little direct funding for democracy because the countries haven't made sufficient progress to earn it, or an indication of the EU's method of promoting democracy indirectly through assistance on an economic and social level is not clear. If conditionality is at work it seems odd to increase aid allocation (even if only to areas where progress was made), if in the one area that is seemingly of crucial importance to the EU, namely democratisation, little or no progress is being made.

It may also be the case that the funding priorities follow this particular pattern because the EU does not wish to disrupt the political landscape in the region. Thus aid allocation may follow this pattern because the EU seeks to stabilize a potentially volatile region by supporting economic and social development.

Non-financial Incentives

Aside from monetary assistance the ENP offered slightly clearer incentives for the partner countries than the EMP did. Most prominently is the offer of a "stake" in the EU's internal market. What exactly this entails is however not clear, and in any case it requires relatively deep regulatory reformation and investment to meet European standards in both, Egypt and Morocco. As pointed out above, the European Union does offer comparatively more assistance for such reforms, thus it could be argued that this incentive may have an impact in both countries, despite being rather vague. However, this will only be the case if the European internal market does play a significant role in the economy of Egypt or Morocco. Coupled with the preferential trade agreements that are also on offer, Morocco clearly has more to gain from adhering to the EU's demands given that it is more dependent on the EU in terms of trade. (This point will be made in more detail below.)

Next to these economic incentives the ENP also offers the promise of closer political cooperation and cooperation in security matters. One aspect that is of special interest for Morocco (as well as for the EU) is the issue of migration. One of the aims of the ENP is to facilitate the movement of people between partner countries and EU and stop illegal migration. This issue is of particular importance to Morocco because Europe, and in particular France and Spain, is the main destination of Moroccans for migration. As Barbé and Johansson-Nogués (2008, p.90) point out Morocco receives a substantial amount of remittances from its emigrants living in Europe. In fact, the amount of remittances flowing into Morocco has increased consistently over the years. By 2007, 9% of Morocco's GDP was coming from remittances according to World Bank data. While it is not clear, where exactly the money comes from it can be

assumed that the bulk of it comes from Moroccans living legally or illegally in Europe. For Egypt the situation is different in so far as Egyptian emigrants tend to move to other Arab countries, in particular Saudi Arabia. While remittances play a role for the Egyptian economy they are not as important as for Morocco.¹⁴

In summary, the non-financial incentives appear to have been slightly more enticing for Morocco than for Egypt. However given that they are relatively vague it is difficult to argue in how far they have had an impact. As for the financial incentives it again appears that Morocco benefited more from it, however the focus of funds on projects not directly related to democratisation measure combined with absence of any punishment, i.e. by not paying out MEDA/ENPI aid, makes it unclear how far funding has had an impact on democratisation.

Political Costs

Another factor that may have an influence on the decision to adopt more liberal norms could be the domestic political costs for Morocco and Egypt they could face if they were to adopt norms. Additionally, it could be argued that both countries may face costs if they do not adopt European norms and become isolated from the European Union. The hypothesis for this study is that the higher the potential political cost for Morocco or Egypt is the less likely they are to adopt EU norms. A state has high costs if norm adoption would lead to a change of the status quo, i.e. change the power balance.

As previously mentioned both Morocco and Egypt are authoritarian states. In Morocco the *mahkzen*, that is the elite centred on the king, continues to hold power, while in Egypt the power lies solely in the hands of President Mubarak and to a lesser extent his party. Basic power structures did not change during the period that is covered in this thesis. This is interesting as it highlights that while Morocco at least underwent some changes that moved it towards liberal democracy, neither country went as far as changing the main political structures.

In the Barcelona Agreement only broad references to adherence of democratic values and human rights are made. There are no precise requirements that partner countries need to fulfil. Only once the Association Agreements were signed did the EU have the ability to punish Morocco and Egypt for non-compliance (commonly referred to as negative conditionality). However, the European Union never made use of this possibility¹⁵ and once the ENP was in place negative conditionality was replaced by positive conditionality, i.e. rewarding Morocco or Egypt for implementing reforms that move them closer to the European “ideal” with more financial aid. Yet, looking at MEDA aid and ENPI fund allocations it does appear that both countries have received increasingly more money over the years despite displaying different levels of reform willingness. The case of Egypt serves as a good showcase for how little repercussions partner countries have to fear if they are not acting in accordance with the EU requests listed in the Action Plans. Especially notable is here the lack of response from the EU after the 2005 elections in Egypt regarding the crackdown on the

¹⁴ All data relating to remittances and emigration was taken from World Bank data sets and reports.

¹⁵ See Kausch (2008) for the case of Egypt and Comelli (2010) for the case of Morocco

opposition and that the EU did little more than stating their concern with the Egyptian government's unwillingness to lift the emergency laws. All this highlights how low the political costs for Egypt, but also Morocco, are for non-compliance with EU norms or lax implementation of democratic reforms.

Comparing the reforms requested in the Action Plans for Morocco and Egypt to the reforms that were undertaken in both countries it becomes clear that both have been relatively more willing to implement reforms that do not threaten the power structure, i.e. reforms in the social and economic sector. Of course, the Action Plans are agreed upon by both the EU and the partner country, making it unlikely that the demands within them go further than a partner country is willing to go.

It is notable how reluctant Egypt has been to give the judiciary more strength (as was pointed out in the previous chapter, the judiciary was actually weakened in response to the 2005 election), while Morocco has been relatively more willing to make the judiciary more independent. The behaviour around elections and the response to election results is also rather illustrious. Whereas in Morocco a gradual opening of the democratic process can be observed and the reaction to an opposition party winning the most seats in a parliamentary elections are "normal", Egypt has been rather slow to allow freer elections and has responded quickly and harshly after the Muslim Brotherhood saw many gains in the 2005 elections, which were described as the most free elections in Egypt. It is also worth highlighting that Egypt has been unwilling to accept technical assistance for election as pointed out in the 2009 Progress Report. Whether this was done because the Egyptian government did not want outside involvement because it thought it was able to handle the elections alone or whether they did not welcome outside assistance because that would make it more difficult to manipulate the election is not clear.

To sum up this section, it appears that the domestic political costs play a big role when it comes to norm adoption. This is highlighted by the reluctance in both countries to change the core of the political system. While the elections in Morocco are comparatively free and fair, the parliament has little to say and power has remained in the hands of the *mahkzen*. In Egypt on the other hand even the prospect of having to hold free elections is met with resistance by the elite and the persistent reconfirmation of the emergency laws that overrule the judiciary underline that the costs of undertaking the requested reforms are too high for the government.¹⁶

Economic Development¹⁷

As hypothesized earlier the development of the national economy and its liberalisation, that is its degree of openness, may also affect the level of democratisation in a country. Given that Morocco has made comparatively more progress than Egypt, it could be assumed that Morocco's economy has developed more positively over the years.

¹⁶ Though, in hindsight not undertaking democratic reforms was more costly for the Egyptian government.

¹⁷ Statistics in the following sections from World Bank unless otherwise indicated.

As visible in Figure 1 Morocco GDP per capita growth fluctuated widely during the second half of the 1990s, but then became steadier from 2000 onwards. One of the main reasons Morocco's growth was so unstable during those years was a long lasting drought. In Morocco's economy the agricultural sector played and still plays an important role, so when that sector is experiencing difficulties the effects are felt in Morocco's economy.

Egypt, on the other hand, saw relatively stable growth between 1994 and 2009. On average both countries experienced a relatively similar level of GDP per capita growth at roughly 2.5% between 1994 and 2009. This indicator alone can thus not explain the different development in Morocco and Egypt.

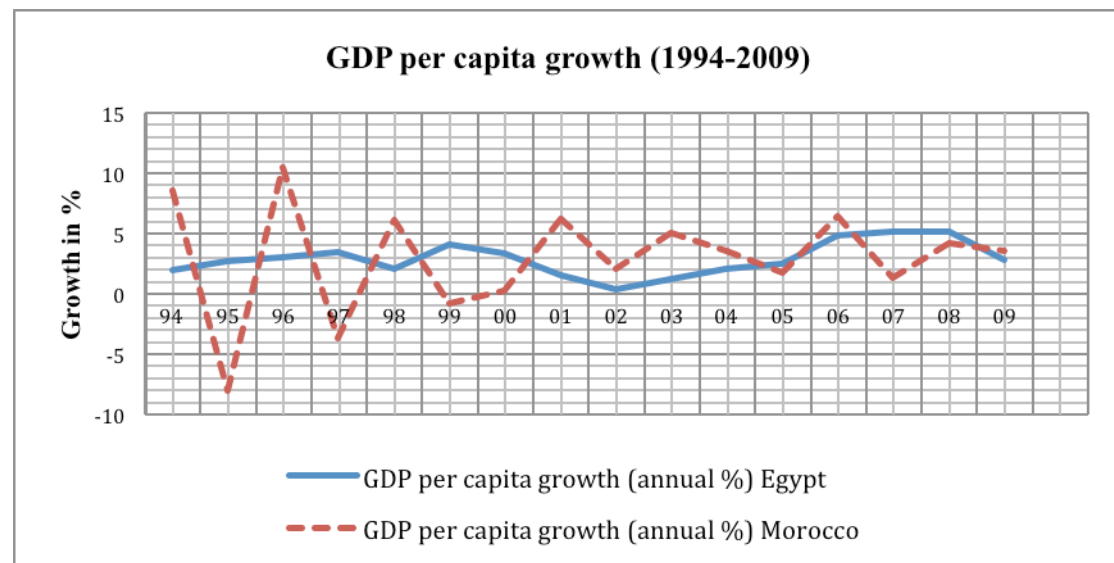


Figure 1 - Source: World Bank

More differences can be observed in the unemployment figures. Rising unemployment rates are generally linked to more troubled economic development, while falling unemployment rates can be taken as an indicator for a healthy economy. In the period that is covered by this paper Morocco's unemployment rate fell from a high of 23% in 1995 to 9% in 2006. For the next three years the unemployment numbers hovered around that figure. It would be easy to just say that this positive development is in some way linked to the influence of the EU, but looking back further it becomes clear that the unemployment numbers of 1995 are in a way special. Prior to 1994¹⁸ the unemployment rate was between 15% and 17%. What exactly explains the spike in 1995 is unclear.

Meanwhile in Egypt the unemployment rate remained relatively unchanged between 1996 and 2009 (the period of time for which there is data). Starting at 8%, the rate slowly rose to 12% in 2005 only to then fall back to 8% in 2008.

The Gini Index gives an overview of the level of income equality in a country. A Gini Index of 100 marks perfect inequality, a Gini Index of 0 indicates perfect equality. In Morocco the Gini Index remained almost unchanged, staying around 40, while in Egypt the Gini Index rose slightly from 30 to 32. To put this into perspective the United States of America have a Gini Index of 40 and the Netherlands score 30 on the

¹⁸ There are no unemployment numbers available for the year 1994 itself.

Gini Index. Therefore this measure does not reveal very much about the level of economic development. The Gini Index also does not show the distribution of inequality.

Therefore it is worth looking at the income distribution in both countries. Again little change can be observed over the years. The richest 20% in Egypt earned 41% of the income while in Morocco they earned almost 48%. For both countries there are only three measurements available at the World Bank, which means that caution is advised when interpreting the number and changes over the years.

In summary, the economic development does not differentiate enough between Morocco and Egypt to explain why Morocco has experienced more democratisation than Egypt. In fact, it appears that Morocco is a little less economically developed than Egypt and has not experienced a significantly more positive economic development.

Overall both countries experienced slow but steady economic growth. The question is, what level of economic growth is necessary for democratic change to take place. In both countries it has seemingly not been sufficient, but then again it is unlikely that positive economic development is immediately followed by democratisation. Though very different to Morocco and Egypt, China highlights that a country does not necessarily become more democratic as soon as its economic development is positive.

Economic Liberalisation

Studies have shown that the level of democratisation can be linked to the level of economic liberalisation. The basic assumption is that the more open an economy is the more democratic it will become. To measure economic liberalisation this study looks at volume of trade¹⁹ (as a percentage of GDP), the net inflow of foreign direct investment (also as a percentage of GDP) and the level of corruption.

Starting with trade (in % of GDP), Morocco saw a slow increase of trade from 55% to 60% between 1994 and 2003. Then in the following years until 2008 the share of trade increased massively to 88%, before dropping sharply down to 68% in the following year. In Egypt the development at first looked less positive, dropping from 50% in 1994 to 38% in 1999. Starting in 2002 trade became more important again and by 2008 it made up 71% of Egypt's GDP. Just like in Morocco, the share of trade dropped sharply to 55% in 2009.

Seeing that trade dropped sharply in both countries in the same year it is likely that it was caused by the same phenomenon. The global financial crisis suggests itself as an explanatory factor. While Morocco has had a consistently higher trade share, the development does differentiate too much.

¹⁹ For trade (% of GDP) this paper uses the World Bank definition that is the sum of all imported and exported goods and services as a share of GDP.

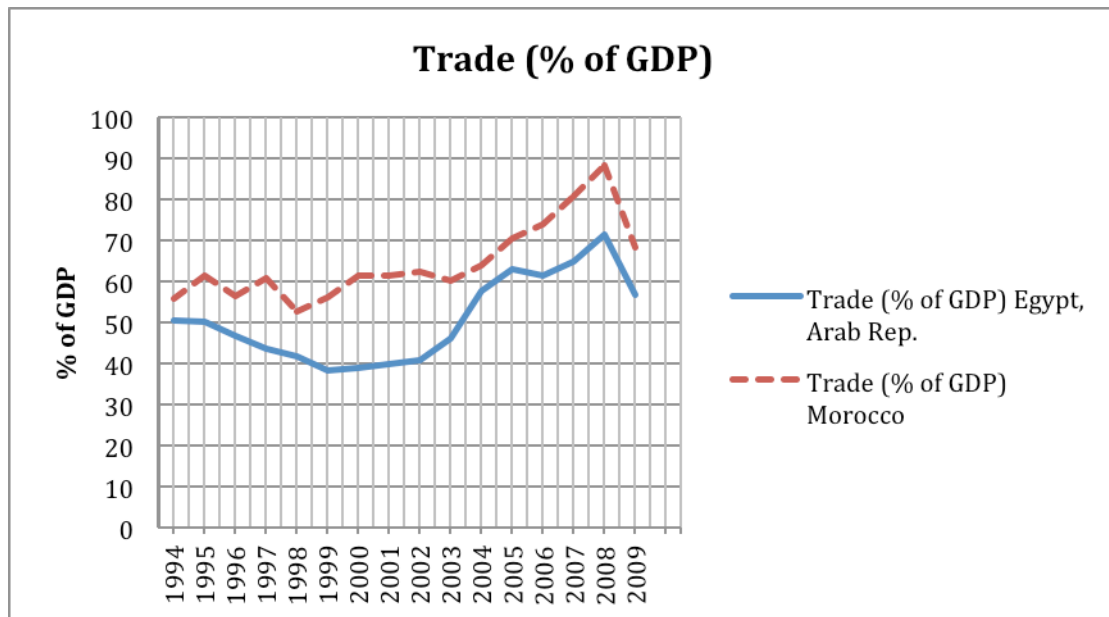


Figure 2 - Source: World Bank

Foreign direct investment played a smaller role in both countries. Until 2002 FDI made up less than 1% in Morocco. Not counting the spike in 2003 (4.8%), the share of FDI rose steadily to 3.8% in 2007, before dropping to 2% in 2009. In Egypt the share of FDI remained steady at just over 1% until 2000. By 2003 it reached 0.3%, but then rose dramatically to just under 10% in 2006. By 2009 this share dropped down to 3.5%. Again the global financial crisis is likely to be the cause for the downturn in the years 2008 and 2009.

It is difficult to make a statement about the observable development. Is the rise of FDI in both countries related after 2002 related to the opening of their respective economies? Given that it happened in a similar time period in both countries it may just as well be the case that it is related to global market developments.

Using CPI as a measurement for corruption has its risk given that it is based on perception and may change from year to year simply because of a variation in respondents. Nonetheless it is the most commonly used too and it is used by the European Union as well. A higher score (0-10) on the CPI marks lower levels of corruption in a country. In both, Egypt and Morocco, the CPI score is only available from 1999 onwards. In Morocco the score has remained relatively unchanged at 3 over the years. Egypt's CPI score has fallen from 4.7 in 2000 to just over 3 in 2010.

Again, this explanatory variable does not seem to shed much light on why we see the difference in norm adoption between Morocco and Egypt. The one indicator where notable differences can be observed is trade. Given the rising importance of trade it makes sense to take a closer look at this factor. This will be done in the following section where the economic dependence of both countries on the European Union will be assessed.

Economic Dependence

In the beginning it was hypothesized that the economic dependence of Morocco and Egypt may have an impact on the level and speed with which they adopt European norms. It seems plausible that a higher dependence on the European market causes partner countries to comply with EU requests given that it is in the partner countries' interest to maintain a close relationship with the EU.

In the case of Morocco the European market (especially France and Spain) has become more important since the start of the Barcelona Process with the trade volume growing by 80% between 1995 and 2008 (European Commission, n.d.). In 1996 63% of Morocco's export went to Europe (WTO, 1996). This number increased to 73% in 2007. Imports from the EU remained at roughly 54% (WTO, 2008). Unlike Egypt, Morocco's main exports to the EU are agricultural products and textiles (European Commission - DG Trade, 2011). Finding an alternative market for these goods may be difficult, thus it is in Morocco's economic interest to be on good terms with Europe and comply with EU regulations in order to further trade relations.

In the late 1990s Egypt's main partners were the US and Europe (WTO, 1999). While the United States became relatively less important over the years, the EU retained its position as the main trading partner.

In 2010 27% of Egypt's trade was conducted with the EU, followed by the US with 11%, China with 8% and Saudi Arabia with 5%. The level of trade between Europe and Egypt has increased by 7.1% on average per year (European Commission - DG Trade, 2011). While these numbers show that the European market is of relative importance to Egypt, it has to be kept in mind that main export to Europe is energy (54%). Given the high global demand for energy it is plausible to assume that Egypt could if it wanted to sell it to a different market instead.

Additionally, given Europe's energy dependence it is more likely that the EU will refrain from pressuring Egypt to undertake reforms that the Egyptian government is not willing to accept in order to maintain the Euro-Egyptian trade relationship. This in itself may be a point worth studying in more detail.

Discussion and Conclusion

The questions that guided this thesis were whether the emphasis on norms and values in the EU policies towards the Morocco and Egypt had an influence in these countries and how the different development in terms of democratisation and norm adoption in general in both countries can be explained. Based on the external incentive model this study used two explanatory variables. One was the size of rewards offered by the European Union and the other was the political cost of adoption of the European norms or not adopting them. As alternative explanatory variables the economic development, economic liberalisation and economic development were chosen.

As shown in Table 2 this study found that the size of rewards might have played a role in the decision to adopt norms. The study found that for Morocco the rewards were more convincing and, given Morocco's existing links with Europe, bigger than for Egypt. The political cost of adopting norms appear to have played a limiting role

in both countries. Reforms were undertaken as long as they did not substantially threaten the existing power structures or were formulated in such a way that the impact of the reforms would be minimal. The assistance that the EU offered in return for positive development to Morocco and Egypt was not at any point cut back despite the fact that they were both reluctant to go through with reforms. This is especially visible in Egypt. With regard to economic development and economic liberalisation the study did not find enough evidence to support the notion that these two factors could explain the different levels of democratisation in both countries. The last variable, economic dependence may provide some evidence as to why Morocco has been keener to adopt EU norms, since it is economically more dependent on Europe than Egypt.

Table 2 - Overview of findings

	Norm adoption (DV)	Size of rewards	Political costs	Economic development	Economic liberalisation	Economic dependence
Morocco	+	+	-	+/-	+/-	+
Egypt	-	-	-	+/-	+/-	-

It seems plausible that the variables “size of rewards” and “economic dependence” are interdependent, that is to say Morocco values the rewards of the EU higher because it is economically dependent on the EU.

However, while the rewards offered by the EU and the economic dependence on Europe may have had an impact on the decision of the Moroccan government to undertake reforms that lead it towards more democratisation, there may also have been other factors playing a crucial role that were not studied here. For example there may simply have been internal pressure on the government to make concessions. To find this out a more detailed country analysis would be necessary.

It also needs to be said that while Morocco has made steps towards democracy it is still lagging behind in many aspects as the demonstrations calling for more freedom and more democracy that took and still take place at the time of writing highlight. Thus the argument that the reforms that Morocco did undertake in response to European demands were only superficial gains some credence and it would be worthwhile to take a closer look at the reforms and their actual impact.

If these reforms are only superficial it may further be interesting to find out why Morocco did make these concessions to democracy. A likely factor that was not studied here is that the government sought international legitimacy and saw the superficial adoption of EU norms as one way of enhancing its image in the world and as way to portray itself as a leader in the region. King Mohammad VI's first national address in 1999 for example does show that Morocco sees itself as a link between the Arab world and Europe:

“If Morocco belongs the Arab and Islamic worlds, its geographical position at the top of the continent of Africa, overlooking Europe from the north and America from the west, obliges us to pursue the policy of our blessed father - characterised by openness and dialogue - by strengthening relations with our African brothers and links with our European and American friends for the benefit of our region and the whole world,

within the framework of compromise, respect and the endeavour to establish security and peace."²⁰ [sic]

Overall, it seems that the EU policies only have had a limited impact in the two countries studied here. While the EU programmes do highlight the importance of democracy and human rights, these words are often not backed by decisive action on part of the EU. This may make dealing with the governments in the region easier, but it also makes the EU's position as an actor promoting liberal norms less credible. As mentioned in the introduction, it may be the case that Europe's main interest is not necessarily the promotion of democracy in the region, but rather stability and security. This would explain why the EU is not pushing too hard for democratic change in the region, since change almost always bring uncertainty and instability.

While this paper has shown in a qualitative way what factors may influence the decision of Morocco and Egypt to adopt European norms it may be worthwhile to test the relation between the EU's policies and democratisation in the MENA region using quantitative methods. This could enhance the generalizability of the study. At this point the generalizability is low not only because the study used qualitative methods, but also because the differences between the countries in the region are relatively large, despite looking similar on the surface. Thus there may be many more factors that influence the decision of countries in the region to move towards democratisation that were not analyzed in this paper.

²⁰ Excerpt retrieved from <http://news.bbc.co.uk/2/hi/world/monitoring/408513.stm> on June 19 2011.

Bibliography

- Baracani, E. (2005). *From the EMP to the ENP: A new European pressure for democratization? The case of Morocco*. Retrieved May 26, 2011 from <http://hsf.bgu.ac.il/europe/uploadDocs/csepspeb.pdf>
- Barbé, E., & Johansson-Nogués, E. (2008). The EU as a modest 'force for good': the European Neighbourhood Policy. *International Affairs*, 1, 81-96.
- Bendiek, A. (2008). *Wie effektiv ist die Europäische Nachbarschaftspolitik? Sechzehn Länder im Vergleich*. Retrieved March 22, 2011 from <http://www.swp-berlin.org/de/produkte/swp-studien-de/swp-studien-detail/article/wie-effektiv-ist-die-europaeische-nachbarschaftspolitik.html>
- Bennett, A. (2004). Case Study Methods: Design, Use, and Comparative Advantage. In D. F. Sprinz, & Y. Wolinsky-Nahmias, *Models, numbers, and cases: methods for studying international relations* (pp. 19-48). The University of Michigan Press.
- Cavartorta, F., Chari, R. S., Kritzinger, S., & Gomez Arana, A. (2008). EU External Policy-making: 'Realistically' Dealing with Authoritarianism. *European Foreign Affairs Review*, 13 (3), 357-376.
- Comelli, M. (2010, February). *Dynamics and Evolution of the EU-Egypt Relationship within the ENP Framework*. Retrieved March 22, 2011 from <http://www.iai.it/pdf/DocIAI/iai1002.pdf>
- European Commission. (2008, April 3). *'Mise en oeuvre de la politique européenne de voisinage en 2007' - Rapport de Suivi Maroc*. Retrieved May 28, 2011 from http://ec.europa.eu/world/enp/pdf/progress2008/sec08_398_fr.pdf
- European Commission. (2001). *Annual Report 2001 on the European Community's Development Policy and the Implementation of External Assistance in 2000*. Retrieved June 11, 2011 from European Commission: http://ec.europa.eu/europeaid/multimedia/publications/publications/annual-reports/2001_en.htm
- European Commission - DG Trade. (2011, June 8). Retrieved June 15, 2011 from http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113375.pdf
- European Commission - DG Trade. (2011, June 8). Retrieved June 15, 2011 from http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113421.pdf
- European Commission. (2003, 3 11). Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours. Brussels.
- European Commission. (2007, January 4). *Egypt - Country Strategy Paper 2007-2013*. Retrieved June 11, 2011 from European Commission: http://ec.europa.eu/world/enp/pdf/country/enpi_csp_egypt_en.pdf
- European Commission. (n.d.). Retrieved June 15, 2011 from <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/morocco/>

- European Commission. (2004, June). *National Indicative Programme 2005-2006 - Morocco*. Retrieved May 26, 2011 from http://eeas.europa.eu/morocco/csp/nip_05_06_en.pdf
- European Commission. (2003, May 21). Reinvigorating EU actions on Human Rights and democratisation with Mediterranean partners. Brussels, Belgium.
- Dannreuther, R. (2006). Developing the Alternative to Enlargement. *European Foreign Affairs Review*, 11, 183-201.
- Del Sarto, R. A., & Schumacher, T. (2005). From EMP to ENP: What's at Stake with the European Neighbourhood Policy towards the Southern Mediterranean. *European Foreign Affairs Review*, 10, 17-38.
- Demmelhuber, T. (2007). *The European Neighbourhood Policy (ENP) and its implementation in the Southern Mediterranean - The Case of Egypt*. Centre for European Integration Studies. Rheinische Friedrich-Wilhelms-Universität Bonn.
- Freedom House. (2010). *Methodology*. Retrieved 4 29, 2011 from Freedom House: http://www.freedomhouse.org/template.cfm?page=351&ana_page=363&year=2010
- George, A. L., & Bennet, A. (2005). *Case Studies and Theory Development in the Social Science*. Cambridge: MIT Press.
- Gerring, J. (2006). *Social Science Methodology - A Critical Framework*. Cambridge: Cambridge University Press.
- Haddadi, S. (2002). Two Cheers for Whom? The European Union and Democratization in Morocco. *Democratization*, 9, 149-169.
- Hasenclever, A., Mayer, P., & Rittberger, V. (1997). *Theories of international regimes* (6th Edition ed.). Cambridge: Cambridge University Press.
- Joffé, G. (2008). The European Union, Democracy and Counter-Terrorism. *Journal of Common Market Studies*, 46 (1), 147-171.
- Karkutli, N., & Bützler, D. (1999, April). *Evaluation of the MEDA democracy programme - ref. 951460*. Retrieved May 31, 2011 from European Commission - EuropeAid Development and Cooperation: http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/1999/951460_docs_en.htm
- Kausch, K. (2008). *How serious is the EU about supporting democracy and human rights in Morocco*. Retrieved March 23, 2011 from FRIDE: <http://www.fride.org/publication/431/how-serious-is-the-eu-about-supporting-democracy-and-human-rights-in-morocco>
- Kausch, K. (2009). Morocco: Smart Authoritarianism Refined. In M. Emerson, & R. Youngs, *Democracy's Plight in the European Neighbourhood - Struggling Transition and Proliferating Dynasties* (pp. 140-148). CEPS.
- Kelley, S. (2006). New Wine in Old Wineskins: Promoting Political Reforms through the European Neighbourhood Policy. *Journal of Common Market Studies*, 44 (1), 29-55.

- Lipset, S. M. (1959). Some Social Requisites of Democracy: Economic Development and Political Legitimacy. *The American Political Science Review*, 53 (1), 69-105.
- Lipset, S. M. (1994). The Social Requisites of Democracy Revisited. *American Sociological Review*, 59 (1), 1-22.
- Pace, M. (2007). Norm shifting from EMP to ENP: The EU as a norm entrepreneur in the south? *Cambridge Review of International Affairs*, 20 (4), 659-675.
- Sasse, G. (2007). *The ENP Process and the EU's Eastern Neighbours: 'Conditionality-lite', Socialisation and 'Procedural Entrapment'*. Retrieved May 11, 2011 from <http://www.bath.ac.uk/esml/research/security/pdf/sasse.pdf>
- Schimmelfennig, F. (2000). International Socialization in the New Europe: Rational Action in an Institutional Environment. *European Journal of International Relations*, 6, 109-139.
- Schimmelfennig, F., & Scholtz, H. (2008). EU Democracy Promotion in the European Neighbourhood. *European Union Politics*, 9 (2), 187-215.
- Schimmelfennig, F., & Sedelmeier, U. (2004). Governance by conditionality: EU rule transfer to the candidate countries of Central and Eastern Europe. *Journal of European Public Policy*, 11 (4), 669-687.
- Schimmelfennig, F., Engert, S., & Knobel, H. (2003). Costs, Commitment and Compliance: The Impact of the EU Democratic Conditionality on Latvia, Slovakia and Turkey. *Journal of Common Market Studies*, 41 (3), 495-518.
- Smith, K. E. (2008). *European Union Foreign Policy In A Changing World* (2nd ed.). Cambridge: Polity Press.
- Smith, K. E. (2005). The Outsiders: The European Neighbourhood Policy. *International Affairs*, 81 (4), 757-773.
- Wendt, A. (1992). Anarchy is what states make of it: the social construction of power politics. *International Organizations*, 46, 391-425.
- Willis, M. J. (2004). Morocco's Islamists and the Legislative Elections of 2002: The Strange Case of the Party That Did Not Want to Win. *Mediterranean Politics*, 9, 53-81.
- WTO. (2008). Retrieved June 15, 2011 from www.wto.org/english/tratop_e/tpr_e/s217-01_e.doc
- WTO. (1999, June 9). *TRADE POLICY REVIEWS: Egypt: June 1999*. Retrieved June 16, 2011 from World Trade Organization: http://www.wto.org/english/tratop_e/tpr_e/tp106_e.htm
- WTO. (1996, January 1). *TRADE POLICY REVIEWS: Morocco: January 1996*. Retrieved June 15, 2011 from http://www.wto.org/english/tratop_e/tpr_e/tp23_e.htm
- Youngs, R. (2005, January). *Ten Years of the Barcelona Process: A Model for Supporting Arab Reform?* Retrieved March 22, 2011 from FRIDE: <http://www.fride.org/publication/57/ten-years-of-the-barcelona-process:-a-model-for-supporting-arab-reform>

Youngs, R. (2002, November 1). *The European Union and Democracy in the Arab-Muslim World*. Retrieved March 22, 2011 from Centre for European Policy Studies: <http://www.ceps.eu/book/european-union-and-democracy-arab-muslim-world>