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**POLITICAL LIBERALIZATION IN EGYPT: THE
IMPACT OF EXTERNAL ACTORS**

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ABSTRACT

Master's Thesis

Political Liberalization in Egypt: The Impact of External Actors

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Among the factors such as political culture (including Islam), civil society, and political economy that both enhance and hinder the political liberalization of Egypt, the external actors namely, the USA and the EU seem to play a significant role in this process. Although both actors through the aid programs, bilateral agreements, direct grant programs, partnership initiatives, international financial institutions, association agreements, action plans, and neighborhood policies seem to be working very hard to promote political liberalization and democratization in Egypt, they keep failing in this process.

Actually, rather than promoting political liberalization in Egypt, by hindering the process, they are enhancing the political de-liberalization in the country. Why do the USA and the EU despite their enthusiastic efforts to enhance political liberalization in Egypt do not succeed? –is the main question this research. In an attempt to resolve this question the thesis will analyze the issue through two approaches of the comparative politics, the structural approach and the rational choice theory. The thesis will first analyze the structure of the aids given by the USA, particularly the USAID (United States Agency for International Development) and the structure of the EU's decision-making mechanisms by concentrating on the conflicting foreign policies of the member states. Then it will analyze the rational choices made by the two main actors, the USA and the EU—how they are making their choices among a group of alternatives given to them.

Keywords: Egyptian politics, political liberalization, democratization, democracy promotion, external actors, EU, USA, structure, rational choice.

ÖZET

Yüksek Lisans Tezi

Mısır'daki Siyasi Liberalleşme: Dış Aktörlerin Rolü

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Mısır'daki siyasi liberalleşmenin geliştirilmesi veya engellenmesi üzerinde etkisi olan siyasi kültür, din, sivil toplum ve siyasi ekonomi gibi faktörlerin arasında dış aktörlerin özellikle ABD ve AB'nin rolü önemlidir. Her ne kadar her iki aktör de yardım programları, ikili anlaşmalar, doğrudan verilen hibeler, ortaklık girişimleri, uluslararası finansal örgütler, ortaklık anlaşmaları, eylem planları, ve komşuluk politikaları ile Mısır'daki siyasi liberalleşmeyi ve demokratikleşmeyi desteklemelerine rağmen pek başarılı olamamaktadırlar.

Aslında her iki aktörde bu politikaları aracılığı ile Mısır'daki liberalleşmeyi desteklemek yerine engellemekte ve siyasi liberalleşme faaliyetlerini tersine çevirmektedirler. ABD ve AB'nin tüm bu çabalarına rağmen Mısır'daki siyasi liberalleşmeyi geliştirememelerinin nedeni incelemek bu tezin konusunu ve araştırma sorusunu oluşturmaktadır. Bu soruya cevap bulabilmek amacıyla tez karşılaştırmalı siyasetin iki yaklaşımından yapısal yaklaşım ve rasyonel seçim yaklaşımından yararlanacaktır. Tez bu analizi yapabilmek amacıyla öncelikle yapısal yaklaşım yardımıyla ABD'nin yardım kuruluşlarından Amerikan Uluslararası Gelişme Ajansı'nın yapısını ve de AB'nin karar alma mekanizmalarını (özellikle dış politika kararları konusunda üyeleri arasındaki çatışmaları) inceleyecektir. Daha sonra da rasyonel seçim yaklaşımı ile iki ana aktörün ABD ve AB'nin kendilerine sunulan bir grup alternatiften hangisini seçtiği konusunda karar almalarını etkileyen faktörleri inceleyecektir.

Anahtar Kelimeler: Mısır siyaseti, siyasi liberalleşme, demokratikleşme, demokrasi teşviki, dış aktörler, AB, ABD, yapısal yaklaşım ve rasyonel seçim yaklaşımı.

POLITICAL LIBERALIZATION IN EGYPT: THE IMPACT OF EXTERNAL ACTORS

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ABBREVIATIONS

BMENA	Broader Middle East and North Africa Initiative
CFSP	Common Foreign and Security Policy
EBRD	European Bank for Reconstruction and Development
EC	European Community
EMP	Middle East Partnership Initiative
ENP	European Union's Neighborhood Policy
ENPI	European Neighborhood Partnership Instrument
EU	The European Union
G8	The Group of Eight
GDP	Gross Domestic Product
IMF	International Monetary Fund
MEDA	Mediterranean-European Development Agreement
MENA	Middle East and North Africa
MEPI	Middle East Partnership Initiative
NATO	North Atlantic Treaty Organization
NDP	National Democratic Party
NIP	National Indicative Program
OSCE	Organization for Security and Co-operation in Europe
SPRING	Support for Partnership, Reform and Inclusive Growth
TACIS	Technical Aid to the Commonwealth of Independent State
UN	The United Nations
UNEF	United Nations Emergency Force
US	The United States of America
USA	The United States of America
USAID	United States Agency for International Development
WB	World Bank

INTRODUCTION

Although many Latin American, East Asian and almost all of the Eastern European countries have completed their democratic transitions throughout the 1980s and 1990s, the Middle Eastern countries are still ruled by authoritarian regimes today. Even some African countries have already achieved at least their electoral democracy; the Middle Eastern region is still engaged with fluctuations between political liberalization attempts which refer only some temporary political openings and ongoing authoritarian regime. Although currently as a result of the Arab Spring there are dramatic developments towards democratization in the region, currently, it is too early to make an interpretation or analysis on whether these movements bring democracy to the region or not.

In this context, Egypt represents a crucial example that has experienced numerous political fluctuations between political liberalization and its authoritarian regime. Since the 1970s although Egypt has experienced a number of political openings, almost all of them were repeatedly resulted with the political de-liberalization policies due to the authoritarian characteristic of its regime. Currently, Egypt has been going through dramatic changes towards democratization as a result of Arab Spring that has started as a strong social unrest in February 2011. Egyptian people have managed to remove Mubarak's government from the political office. General elections that had been taking place in the last couple of months resulted with the election of the Mohammed Morsi who is a candidate of the Freedom and Justice Party which was established by the Muslim Brotherhood. Consequently, for the first time in Egyptian politics, a candidate from the Islamic movement, the Muslim Brotherhood, became president. However, whether a candidate representing an Islamist movement will move the country towards democratization or not – is not very clear at the moment.

Since the period following the Arab Spring is still an ongoing process (which makes it difficult analyze), this thesis will mainly concentrate on the factors particularly the role of the external actors on the political liberalization process of Egypt throughout the period between 1970s and 2000s. There is a variety of factors including political culture (including Islam), civil society, political economy and

external (f)actors that both promote and hinder political liberalization in Egypt. Among these factors this thesis will concentrate on the impact of external actors, namely the USA and EU on the political (de)liberalization process in Egypt. Both actors, the USA and the EU, through the aid programs, bilateral agreements, direct grant programs, partnership initiatives, international financial institutions, association agreements, action plans, and neighborhood policies seem to be working very hard to promote political liberalization and democratization in the MENA region in general and in Egypt in particular. However, despite this enthusiastic looking struggle to bring political liberalization to the region and in particular to Egypt, both actors were not really successful. On the contrary rather than promoting political liberalization in the region, they even hindered this process. Consequently, this research is looking for an answer to this question. Why the USA and the EU despite their enthusiastic efforts to enhance political liberalization in Egypt do not succeed in this process? –is the main puzzle of this thesis, the main question this research is trying to find an answer.

In attempt to do so, the thesis will analyze reasons for this problem through the help of two comparative politics approaches, structural and rational choice approaches. The thesis will first analyze the structure of the aids given by the USA, particularly the USAID (United States Agency for International Development) and the structure of the EU's decision-making mechanisms by concentrating on the conflicting foreign policies of the member states. Then the thesis will analyze the rational choices of the actors, the USA and the EU—how these actors are making a choice. How these actors among the sets of alternatives are choosing the one that would maximize their interests –will be analyzed.

The first chapter will explain the theoretical framework of the thesis by first examining the concepts of democracy, democratization and political liberalization. Then it will examine the factors such as political culture, civil society and political economy that shape the political liberalization process by mainly concentrating on the impact of external actors on political liberalization. As the second set of theoretical framework the chapter will examine two research traditions of comparative politics, structural approach and the rational choice approach.

The second chapter of the thesis will give an overview of historical background of political liberalization movements in Egypt during the rules of President Nasser, Sadat and Mubarak and the impact of external actors on Egyptian politics in general and in the political liberalization movements in particular. The third chapter will concentrate on the policies followed by the two actors the USA and the EU in their attempt to bring political liberalization and/or democracy promotion to the country by concentrating on the aid programs, bilateral agreements, direct grant programs, partnership initiatives, international financial institutions, association agreements, action plans, and neighborhood policies.

The main heart of the thesis, the fourth chapter will mainly concentrate on the puzzle of the thesis. It will search for the reasons and factors that led to the failure of the USA and the EU's democracy promotion policies by looking at their structures, decision-making mechanisms and the rational choices they make. The thesis will be concluded with a conclusion that will summarize the arguments of the thesis and will attempt to bring new prospects for the future.

CHAPTER 1
THEORETICAL FRAMEWORK:
THE IMPACT OF EXTERNAL ACTORS
ON POLITICAL LIBERALIZATION

In many academic studies of the contemporary era, terms of ‘democracy’, ‘democratization’ and ‘political liberalization’ are frequently used by scholars of the social and political sciences. Sometimes these concepts are used interchangeably with the same meaning which may cause mistakes or deficiencies in the analyses. Consequently, in order to provide a clear explanation, first part of this chapter aims to explain these concepts theoretically. In the second section of the chapter the factors (political culture, political economy, civil society) that shape the political liberalization process will also be analyzed mainly by concentrating on the external actors—as the main subject of this thesis. The third section will analyze the two research traditions in comparative politics, structural approach and rational choice approach that have an important explanatory power in analyzing the reasons for the failure of the external actors in the process of political liberalization in Egypt.

I. CONCEPTS OF DEMOCRACY, DEMOCRATIZATION AND POLITICAL LIBERALIZATION

Political liberalization is actually a process that is a couple of steps behind democratization. It usually includes some democratic openings without reaching to the stage of democratization. Majority of the time political liberalization movements are usually used as instruments by the authoritarian leaders to please the people they rule for short periods of time. Consequently, in order to analyze the concept of political liberalization, it is necessary to examine the concept of democracy and democratization first.

A. Democracy

In general, democracy, in its simplest definition, is the right of the people to determine their rulers and/or governors in order to provide accountability for government's actions.¹ In this respect, fair and competitive elections are essential components for achievement of an electoral democracy. As Rex Brynen and his colleagues describe, political democratization refers 'an expansion of political participation in such a way as to provide citizens with a degree of real and meaningful collective control over public policy.'² This kind of political participation requires fair and regular elections in order to ensure fair political representation of a society. In this sense, Samuel P. Huntington defines regular elections as an important vehicle for not only emergence of democratization, but also removal of the authoritarianism, as in the case of the third wave of the democratization.³

However, existence of fair and regular elections demonstrates only existence of an electoral democracy and it does not guarantee a sustainable democracy in the long run. In other words, regular elections are vital in terms of the establishment of the electoral democracy, but it does not mean that a free and fair electoral system guarantees a fully democratic political system. Instead, the concept of democracy involves some certain and legally-protected rights and freedoms for citizens and politicians such as freedom of speech and freedom of assembly that make elections valuable and useful in guaranteeing the democracy in a country.⁴

In this context, in addition to the electoral democracy, Larry Diamond emphasizes the concept of liberal democracy, by addressing the promotion of rights and freedoms for both individuals and groups, a pluralist civil society, a pluralist party-system, an accountable political structure, an objective and impartial judiciary system as well as a civil superiority on the military in a country.⁵ Similarly, by citing

¹ Michael J. Sodaro, **Comparative Politics: A Global Introduction**, McGraw Hill, New York, 2004, p. 162.

² Rex Brynen et. al, **Political Liberalization & Democratization in the Arab World**, Lynne Rienner Publishers, London, 1995, p. 3.

³ Samuel P. Huntington, **The Third Wave: Democratization in the Late Twentieth Century**, University of Oklahoma Press, Norman and London, 1991, p. 174.

⁴ Sodaro, p. 162.

⁵ Larry Diamond et. al, **Consolidating the Third Wave Democracies: Themes and Perspectives**, The Johns Hopkins University Press, Baltimore and London, 1997, p. 14.

liberal extent of the concept of democracy, Michael J. Sodaro emphasizes that democracies design some legally certain rights and freedoms for citizens by limiting government's authority.⁶

Sodaro also categorizes 'the four faces of democracy' in order to give a full definition of the concept. In this categorization he includes basic principles of democracy such as the concept of popular sovereignty, some certain rights and liberties, democratic values and the economic democracy. According to this categorization, '*the concept of popular sovereignty*' refers the right of entire society to govern themselves that makes the government accountable to the citizens. By considering etymon of the literal sense of democracy derives from a combination of Greek words '*demos*' that means the people, and '*kratia*' that means authority, popular sovereignty is indispensable component of the democracy.

Moreover, citizens must be possess '*some certain rights and liberties*', as the second face of democracy, which are protected by law.⁷ In this point, it is important to note that granting of these rights and liberties to the people is not sufficient alone. In other words, protection of them is important for their sustainability in the long run. As Nora Hamilton and Eun Mee Kim claim that democracy requires a two-level change: first change is at societal level which redefines some certain individual rights and freedoms in order to protect citizens and social groups from illegal acts; and the second change is at the governmental level which redefines governmental rules and procedures in order to prevent any feasible exclusion of some groups in political participation process via newly constructed government institutions.

Furthermore, '*democratic values*' such as fairness, compromise and tolerance must be protected as the third face of democracy and these values must be valid for entire society. In addition to rights and liberties of citizens, this face of democracy provides a normative dimension. Namely, even if there are some formally granted certain rights and liberties for citizens, there is still a need for guaranteeing of equally implementation of these rights for all people.⁸

Finally, '*economic democracy*' must be effective for all society as fourth face of democracy in socio-economic means. In general, economic democracy is related

⁶ Sodaro, p. 162.

⁷ Sodaro, p. 164.

⁸ Sodaro, p. 174.

with a fair opportunity in economic life for citizens in a country. As such, economic democracy requires a governmental permission for all citizens as well as private corporations to run their businesses.⁹

In the light of these four faces, democracy is based on three principles such as ‘the rule of law’ that limits the state’s power by law and denies anyone above the law; ‘inclusion’ that assumes all democratic rights and freedoms for entire society, not a specific segment of the society; and ‘equality’ that commits equal distribution of democratic rights and freedoms by denying any privileged groups on these rights and freedoms in the society. However, as Sodaro emphasizes, existence of these four faces of democracy does not provide a certain fixed definition of democracy because countries may implement these faces or criteria at minimum or at maximum levels, but not at an equally same level.¹⁰ Thus, it must be note that the concept of democracy is not fixed, but rather it can be interpreted differently by various countries in practice.

B. Democratization

An important issue that should be studied concerning democracy is the transition of the countries from a non-democratic regime to a democratic one, in other words democratization. They can do this by getting rid of all rules and institutions of the old regime and adapting newly constructed ones. However, even if a transition process from authoritarianism to democratization has been successfully started in a country, consolidation of a newly-built democracy is not an easy change that could be achieved overnight and thus it takes up a long time. Therefore, the transitions are not always successful. As Sodaro notes, society may be divided on important questions about democracy because while some segments of society is interested in only freedom-based democracy in liberal means, the others may rather focus on social and economic rights and welfare in social democratic means.¹¹ Consequently, the division in the society on the question of what democracy

⁹ Sodaro, p. 164, 178.

¹⁰ Sodaro, pp. 165-168.

¹¹ Sodaro, p. 163, 207.

requires, prevents the creation of a fixed definition of a successful democracy and forces democracy to take different forms in itself.¹²

In international context, regional differences about democratization process also represent a crucial perspective for interpretation of its scope around the world. In his famous study, *The Third Wave* that was published in 1991, Samuel Huntington explains historical evolution of democratization with three waves of democratic transition. In this analysis he also examines the reverse waves, in which democratization movements reversed to authoritarian regimes.¹³

According to Huntington's analysis, first wave of democratization that had its roots in American and French revolutions showed itself mainly in the nineteenth century when secret ballot and government that is accountable to the parliament had taken place. However, starting in the aftermath of First World War first reverse wave had showed itself with the resurgence of Mussolini and Hitler's fascist governments in Italy and Germany respectively. Second reverse wave that immediately followed Second World War reintroduced democracy in various countries such as Italy, Germany, Japan, Korea, Greece and Turkey and ended around the beginning of 1960s. The third and the last wave of democratization that has emerged with the collapse of dictatorship in Portugal in 1974 spread to various European, Asian and Latin American countries. Third wave of democratization has gained a considerable momentum after collapse of the Soviet Union in 1989 that paved the way for transition of various former Soviet Republics toward democracy.¹⁴

However, transitions from a non-democratic regime to a democratic regime have not always ended up with the consolidation of democracy, While some of these countries in a short time finished their transition process moving to a consolidated democracies, the others have never reached to that level and have stayed in the transition stage for decades. Although democracies serve to provide a fair sphere for all segments of the society to participate the political life in a country, they can not always be successful to fulfill their purposes. Namely, even if all democratic rules and procedures are accomplished in a country, manipulation and negligence of

¹² Carsten Q. Schneider and Philippe C. Schmitter, "Liberalization, Transition and Consolidation: Measuring the Components of Democratization", **Democratization**, Vol: 11, No: 5, 2004, p. 64.

¹³ Huntington, pp. 16-21.

¹⁴ Huntington, pp. 16-21.

democratic institutions by state elites still continue to be an obstacle to the completion of democratic objectives. Manipulation of democratic practices and institutions has also a potential to reduce political participation because it undermines citizens' belief about their influence on the political life. Consequently, it creates a social feeling that their votes are not influential in shaping of political life of the country and therefore, it is resulted with the emergence of social apathy about politics.¹⁵

In this context, Juan Linz and Alfred Stepan define democratic consolidation as a framework in which democracy is internalized and routinized in all parts of social, institutional, political as well as psychological life in a particular society. In this framework, Linz and Stepan categorize the main dimensions of democratic consolidation such as behavioral, attitudinal and constitutional which are necessary for complementation of it. Namely, behavioral dimension of consolidation can be fulfilled when social, economic, or political actors give up using main societal resources in order to create and maintain a non-democratic system in a particular territory. Attitudinal dimension of democratic consolidation can be achieved when a belief is emerged in public opinion that democratic institutions and procedures are the best and unique way to manage collective life in the society.¹⁶

Moreover, restrictive role of democracy on the state's superior power may be prevented by becoming the subject of a political corruption. For instance, bureaucratic institutions may possess an incredible authority which has never been checked or political parties and elites may be financed by some donor actors in political process. In such cases, success of democracy is prevented by corruption under a patron-client relationship in political life. In this context, Linz and Stepan emphasize the importance of a constitutional dimension of democratic consolidation that can only be achieved when there are no any important differences between governmental and non-governmental forces and when these are used for conflict

¹⁵ Sodaro, p. 163.

¹⁶ Juan J. Linz and Alfred Stepan, **Problems of Democratic Transition And Consolidation: Southern Europe, South America, and Post-Communist Europe**, The Johns Hopkins University Press, Baltimore and London, 1996, pp. 5-6.

resolution in a framework of laws, legal procedures, and new democratic institutions.¹⁷

Actually, however, Linz and Stepan do not claim that there are no any conflicts in consolidated democracies. Instead, they try to emphasize that while possibility of conflict is still continuing, this possibility is reduced to a minimum degree through existence of legitimate conflict resolution ways of democracy. Similarly, Diamond tries to call attention to important difficulties of internalization of democratization process in some particular countries. For instance, Western European countries are more likely to internalize this process than Eastern European ones. Similarly, proportions of democratization in Middle-Eastern and African regions are considerably less than European world. Diamond explains the main reason of these regional differences about democratization between liberal and wealthy Western societies and illiberal and poor ones with the absence of consolidation in latter that is a vital component for future survival and stability of a newly-built democracy. Thus, addressing the previous two reverse waves of democratization, Diamond emphasizes the possibility of a third reverse wave of the current global democratization because of ongoing human rights violations and insecure social, economic, and political conditions in non-democratic countries.¹⁸

Therefore, every single movement of transition from an authoritarian regime to democratic regime do not end up with a consolidated democracy. Majority of the time these transitions never reach to a consolidation level. If we go a couple of steps back some of the democratic openings and liberalization movements do not even reach to the transition level. They remain as partial democratic openings which cannot even move to the stage of a democratization or transition to democracy level. These movements that mainly take place in the African, Middle Eastern and some Asia countries are usually defined as “political liberalization”. Most of the time these political liberalization movements are used as an instrument by the authoritarian leaders to keep their illegitimate powers vis-à-vis some partial unrests in the community.

¹⁷ Linz and Stepan, pp. 5-6.

¹⁸ Diamond et. al, pp. 15-16.

C. Political Liberalization

Political liberalization is an indispensable component of democratization of an authoritarian regime. It can be defined as the step before democratization. As stated by Hamilton and Kim political liberalization is a vital component for democratization in expanding democratic developments such as equality before the law, right of equal political participation, and a free and an informed citizenry.¹⁹ Similarly, Brynen and his colleagues describe the concept of political liberalization as ‘the expansion of public space through the recognition and protection of civil and political liberties, particularly those bearing upon the ability of citizens to engage in free political discourse and to freely organize in pursuit of common interests.’²⁰

Although political liberalization and democratization can be seen as two linked concepts towards to the completion of a country’s democratic consolidation, they do have differences. Thus, the question of which conditions are influential in political liberalization and democratization process of a country needs to be answered for a theoretical explanation of these concepts. In this context, elements of these two concepts can be useful in order to understand the difference between them. Political liberalization, as Linz and Stepan define, refers some important political and societal changes such as reduction of pressure on the media, release of politically arrested persons, re-definition of income distribution, toleration of opposition groups and parties, new improvements for protection of the certain rights of all citizens.

From this perspective, democratization includes political liberalization in itself but, its content is wider than political liberalization. In democratization, in addition to political liberalization attempts, there are publicly open debates over a societal control on the government, and of course a fair electoral system through legally recognized competitive political parties.²¹ In other words, as Linz and Stepan argue, that political liberalization can exist without democratization, while democratization can not exist without a politically liberalized governmental system.²²

¹⁹ Nora Hamilton and Eun Mee Kim, “Economic and Political Liberalization in South Korea and Mexico”, **Third World Quarterly**, Vol: 14, No: 1, 1993, p. 112.

²⁰ Brynen et. al, p. 3.

²¹ Linz and Stepan, p. 3.

²² Linz and Stepan, p. 3.

However, Brynen and his colleagues claim that elements of democratization may exist without political liberalization or vice versa. In other words, they point out that both of the concepts may exist in a particular political system independently from each other. For example, regular elections that represent the main component of the concept of democracy can take place, together with a limited political repression or electoral fraud as in the case of many authoritarian regimes. In this context, however, as Brynen and his colleagues state political participation cannot be effective for citizens without existence of an everlasting system of political freedom that is the main linkage between political liberalization and democracy. Consequently, it is clear that democracies do not have to be similar to each other under a unique model such as Western liberal democracies, but rather, they are shaped by specific historical and cultural elements of different countries.²³

Moreover, political liberalization can be realized not only in political area, but also social and economic spheres. For instance, it may include some social openings that are given for citizens by their government such as educational reforms, occupational reforms, developments in social security means, and new progressive legal regulations about fundamental rights and freedoms. In this sense, by addressing necessary developments in social regulations, Schneider and Schmitter emphasize that, political liberalization includes prevention of torture and inhuman treatment, promotion of the fair trial according to laws, guaranteeing of the freedom of speech, freedom of religious conviction, freedom from punishment for oppositional expressions against governmental policy, and removal of censorship on communication.²⁴

In addition to these social developments, the concept of political liberalization can be realized in economic means. In this context, a link can be established between economic face of democracy and the concept of political liberalization. Namely, as it mentioned before, economic face of democracy requires consideration of a fair distribution of opportunities in economic life. Similarly, the political liberalization can include economic reforms such as new progressive regulations in distribution of wealth and wages, enterprises to reduce the gap

²³ Brynen et. al, p. 4.

²⁴ Schneider and Schmitter, p. 61.

between rich and poor by creating a middle class, and new developments to promoting life standards of citizens.

Although, the concept of political liberalization is frequently addressed as an indispensable component for democratization of a country in political, social as well as economic means, it has also been used for political interests by leaders in domestic politics, and super powers in international politics at various times of political history. This represents the main paradox of the concept of political liberalization.

As Niblock argues removal of a possible communist threat together with collapse of the Soviet Union forced the Western powers to find a justification for imposing Western-style regime characteristics and restricting political freedoms in newly independent countries. Therefore, they used political liberalization in order to diverse public attention and to impose Western-style economic policies in these newly-independent countries. In other words, political liberalization has become an instrument of the Western powers that was used to achieve their economic interests through international financial institutions.²⁵ Thus, despite its strong consistence with the democracy, it may also serve for survival of the authoritarian regimes when they were used as a temporary tool by political leaders in authoritarian countries.

For instance, as Larry Diamond emphasizes, when opposition starts to grow as seriously and effectively to challenge the authoritarian government, the regime starts to apply heavy methods to rig the elections, to arrest members of the opposition groups and to narrow the political area.²⁶ Therefore, political liberalization can be failed by repressive rules and policies of existing regime. Consequently, this kind of political liberalization attempt is actually resulted with the emergence of political de-liberalization which is completely opposite of democratic institutions such as a free civil society, free and fair elections or other sustainable democratic openings. These temporary attempts of political liberalization which are applied by political leaders of authoritarian countries actually serve for suppression of political and/or civil oppositions to the ruling regime. They do not really aim for bringing a political liberalization or sustainable democratic opening.

²⁵ Tim Niblock, "Democratization: A Theoretical and Practical Debate", **British Journal of Middle Eastern Studies**, Vol: 25, No: 2, 1998, p. 222.

²⁶ Larry Diamond. "Why Are There No Arab Democracies?", **Journal of Democracy**, Vol: 21, No: 1, 2010, p. 99.

II. FACTORS LEADING TO POLITICAL DE/LIBERALIZATION: EXTERNAL ACTORS

As already stated for the authoritarian leaders to attempt to liberalize their countries politically, certain pressure must come from their people or from the international community. Once leaders find their post in danger as a result of these pressures, then they would initiate certain reforms to avoid this threat. Certain factors can force the authoritarian leaders for political liberalization and at the same time hinder the process. Among these one can include political culture and Islam particularly in the Arab world, civil society, political economy, and external factors/actors.

A. Political Culture and Islam

Culture is a significant factor that can both enhance and impede the political liberalization process. Every society has its own peculiar culture that is embedded into its societal, economic, psychological and political life. There are some particular attitudinally different characteristics between cultures around the world. Cultural dimension as a result create a crucial perspective to analyze political choices and behaviors of different countries and their leaders. As Sodaro claims, cultural attitudes have a considerably important role in shaping democratic stability in a particular country. The concept of political culture refers a pattern of shared attitudes and values in history of the political life of a country with its political institutions as well as political procedures. Even existence of an active civil society in a country depends on political culture which is a kind of social link in political life of a country.²⁷ From this perspective, political culture of a country includes and shapes structuring of that country's state institutions which play a considerably important role in democratization process.

Political culture actually explains the difference between the state institutions of countries very well. For instance, while political culture of many Western

²⁷ Sodaro, p. 217.

European countries can be defined with liberal values, political culture of the Middle East is defined with a more conservative and religious Islamic terms. The liberal values of the Western political culture usually include popular sovereignty, civil liberties and political rights. Their state institutions in general guarantee an independent judiciary, a legally bounded bureaucracy, an effective law-making process, a transparent governing process for citizens, and a competitive system of regular elections.²⁸ In these countries, the chances to consolidate democracy are higher. However, in the countries where a liberal political culture lacks and conservativeness and religion dominate the political life, democratization and democratic consolidation turn into difficult processes to accomplish. The primordial characteristics of the Middle East that is based on tribal, clan and sectarian features which denies pluralism under a concept of common citizenship are also shown as obstacles to political liberalization.²⁹

Diamond argues that absence of a culturally single democratic regime in the Arab World is an anomaly that makes the region an exception for democratization of global world.³⁰ In this sense, there is a general prejudice in the scholarly written research about failed democratization of the Islamic/Arab countries that puts forward the incompatibility between democratic principles and Islamic political culture in the Arab world. Compatibility of Islam with democracy is another issue of discussion that is beyond the subject of this chapter. In brief, there are debates that argue both the compatibility and the incompatibility of the two concepts. While democracy refers to popular sovereignty, an Islamic rule refers to Allah's sovereignty as the basic tenet of Islam. Namely, since Islamists believe that Allah is the single creator of all things in the earth, Allah's sovereignty in all kinds of life is more superior than any other Western definitions of sovereignty. In this sense, while Islamists define sovereignty of Allah as the most just and true method of management, they define Western kinds of sovereignty as illegitimate, unjust, and corrupted one. In a state that is mainly ruled according to the rules of Islam, there is no separation between

²⁸ Sodaro, p. 210.

²⁹ Brynen et. al, p. 7.

³⁰ Diamond, p. 93.

religious and state affairs.³¹ Moreover, the isolation of some groups in the Islamic world such as women or religious minority groups can also be shown as an evidence for existence of inequality in the Islamic world which is the main challenge to democratization.³²

Some scholars argue that political culture by itself does not have an explanatory power to political de-liberalization since they can change in time. Modernization reforms such as urbanization, changes in economic policies, educational developments or inclusion of democratic values from the West may lead to a transformation of the political culture, Although there is a general consensus that a culture of a country has an impact on its political life, some scholars claims that political context has also a similar impact on the culture that assume a democratization process as the facilitator of emergence of a new democratic political culture after an authoritarian one.³³

For instance, Diamond claims that emergence of a democratic political culture is closely related with the democratic consolidation because a democratic political culture is created and supported by democratic state institutions such as protected certain rights of individuals, a liberalized economic structure, an improved political accountability, and a governance without corruption.³⁴ Moreover, there is also a view which puts forward that sometimes political actors may be forced to follow democratic principles by their electorates under an electoral competition.³⁵ Consequently, the concept of political culture is important as one of the influential factors on the political liberalization, but not a unique one itself alone.

B. Civil Society

Existence of a vibrant civil society plays a significant role in the political liberalization process. In general, civil society is an autonomously organized population into the associations in a country. In this context, Linz and Stepan call

³¹Nicola Pratt, "Identity, Culture and Democratization: The Case of Egypt", **New Political Science**, Vol: 27, No: 1, 2005, p. 70.

³²Brynen et. al, p. 7.

³³Brynen et. al, p. 7.

³⁴Diamond et. al, p. 17.

³⁵Brynen et. al, p. 7.

attention to the difference between the concept of civil society and the concept of political society. According to this distinction, while the concept of civil society refers an area of polity in which there are autonomous and self-organizing individuals, groups and their movements that create some special values and associations such as women's groups or religious groups; political society refers another area in which polity serves to control state apparatus and public power under a legitimate struggle by constituting society for politically electing and monitoring of a democratic government. From this perspective, while the concept of civil society can be seen as an instrument to destroy an existing non-democratic/authoritarian regime, the concept of political society is seen as another instrument for future survival of democracy and its' consolidation.³⁶

Since the general aim of civil society organizations is to build a link between the state and society, existence of 'an active of civil society that includes self-organizing groups, movements and individuals, which are relatively autonomous from the state, is essential for the process of political liberalization.'³⁷ Civil society organizations also include the political parties, business associations, interest groups and religious organizations. Civil society organizations by increasing the political participation in a society represent their vital importance in the democratization process.³⁸ Civil society organizations by representing interests of various segments of the society in political election process, promotes confidence of the society to the system of holding regular elections that automatically brings into a high level political participation.

Brynen and his colleagues analyze the concept of civil society by referring to three different dimensions that explain their characteristics. As the first dimension, Brynen et. al mention the organizational characteristics of the civil society that serves to counterweight the state's power by establishing a buffer zone between state and the citizens. For instance, protests of an organized civil society group against coercive policies of a ruling authoritarian government can be effective to force the government for political openings. Consequently, existence of an independently

³⁶ Linz and Stepan, pp. 7-8.

³⁷ Müge Aknur and İrem Aşkar Karakır, "The Reversal of Political Liberalization in Egypt", **Ege Academic Review**, Vol:7, No:1, 2007, p. 320.

³⁸ Sodaro, p. 216.

organized population proves the existence of a democracy with respect to a limited state control on rights and liberties. As the second dimension, the scholars point out the civility of civil society that focuses on the establishment of a moderate and tolerant political structure under the view of pluralistic discourse. Namely, guaranteeing a pluralistic political structure facilitates the democratization and a sustainable political liberalization on issues such as freedom of associations. Third dimension of civil society is a qualitative relationship between state and the society which emphasizes the principle of individuality or citizenship. For instance, re-definition of state-society relations promotes the importance of societal demands under a much more democratic political structure.³⁹

According to Brynen et. al., three different dimensions of the concept of civil society become effective mutually in promoting societal interests under a framework of democratic values. It means that all three dimensions of the civil society concept such as social organization, civility that is based on a set of ideas and a new qualitative relationship between state and citizens are vital components for the emergence of a civil society in an authoritarian regime during its democratization process. However, although these dimensions represent necessary parts of civil society organizations, they also include some ambiguities. Namely, organizational dimension may refer to an authoritarian characteristic that raises pressures as a centralized authoritarian organization.⁴⁰

An active civil society is generally defined as a concept that is more likely to promote tolerance of excluded minority groups like ethnic groups or religious ones by creating a compromise and cooperation with them. Thus, it provides a more open sphere in political life of a country that is essential for democratization. However, contrary to this general definition, the emergence of an authoritarian civil organization serves to sustain and strengthen the presence of ruling authoritarian regime rather than to establish a new democratic one. In this sense, since all independently organized groups may include non-democratic organizations in criminal means, it is important to note that the concept of civil society refers only to

³⁹ Brynen et. al, p. 11.

⁴⁰ Brynen et. al, pp. 11-12.

citizen associations under democratic rules and principles.⁴¹ The third dimension also has an ambiguity in itself due to the lack of a detailed definition for the level of qualitative relationship between state and citizens. It may actually refer a more authoritarian characteristic than its previous one.

All these ambiguities in definition of the concept of civil society become much more important, particularly, in the studies on democratization and political liberalization in the Arab world. These ambiguities of civil society can easily be seen in Arab world as a result of the superiority of well-rooted Islamic principles and history. Failure of civil society concept in the Arab world points out to the family-based, tribal-based or other primordial organizations that create obstacles to the concept of democratization.⁴² Mustapha Kamel al-Sayyid argues that the future of Arab civil society is ambiguous due to its lack of a full pluralist nature as well as the continuation of authoritarian pressures.⁴³

However, these characteristics that are related to the political culture of the Arab world does not mean that there had never been any attempts for the emergence of civil society in the region. Indeed, it can be said that authoritarian regimes in the Arab world have frequently initiated some political openings towards to the emergence of a civil society. However, almost all of these attempts have resulted by reversal of the rise of civil society organizations since the actual objective of these authoritarian rulers was to maximize their political interests, particularly during their illegitimate election periods. Civil society organizations were mainly used as instruments by these authoritarian regimes.

C. Political Economy

The concept of political economy had always been a significant issue of debate concerning the relation between the level of socio-economic development and democratization of a country. In this context, the concept of socio-economic development may include several factors of modernization such as reforms in distribution of wealth, educational policies and reforms, guaranteeing adequate life

⁴¹ Sodaro, p. 217.

⁴² Brynen et. al, p. 13.

⁴³ Brynen et. al, p. 13.

standards and creation of a growing bourgeoisie. The protection of economic welfare of the society represents a vital component for prevention of any challenge toward the ruling regime. If a regime could not protect the economic welfare level of the society, a social discontent may emerge as a result of the low economic standards and this in turn, may lead to a risk of a wide-range social unrest against the regime. In such cases, as Müge Aknur and İrem Aşkar Karakır emphasize ruling regime to protect its existence initiates some political reforms in order to divert public attention from economic depreciation.⁴⁴ In other words, rigid economic pressures of superpowers and international financial institutions generally push these regimes into the economic problems such as low wages, high degree of inflation and unemployment. As a response these regimes try to initiate some temporary political openings as in the case of Egyptian president Sadat's open-door policy during 1970s.⁴⁵ Since these openings are temporary and artificial, they do not help the political liberalization process or democratization of these countries.

If democracy fails to overcome the existing poverty, the disadvantaged or excluded groups, start supporting the anti-democratic movements as it has happened in Latin America, Asia and Africa.⁴⁶ Consequently, it can be stated that political, economic and social welfare of the society is an indicator for survival of a democracy in the long run, respect with achievement of the popular support.

In the case of Arab world, the concept of political economy becomes a complex issue due to the presence of rentier states in the region. In the oil rich Arab countries, the ruling elite and the state own the oil and distribute its benefits to the people. By giving the chance to live in welfare to the people, they can easily continue their authoritarian rule. As pointed out by Brynen et. al. rentier characteristic of oil-owner Arab countries serves not only to promote authority of the state over financial resources, but also to support continuation of neo-patrimonial networks in politics that is generally based on a family, a tribe or a superior group of ruling elites. As it is identified by scholars as 'no taxation, no representation', while in democratic countries taxation serves as a right for citizens to participate in political life, in rentier states such kind of representation is not granted to the citizens since they do

⁴⁴Aknur and Karakır, p. 324.

⁴⁵ Aknur and Karakır, p. 324.

⁴⁶ Sodaro, p. 215.

not pay taxes.⁴⁷ Under these conditions, superiority of the government in controlling the financial resources undermines possibility of democratization in the Arab context.

Another significant issue concerning the impact of political economy on political liberalization is related to the financial aids Arab countries receive from external actors. Brynen et. al. note that structural adjustment policies of super powers may force authoritarian regimes to adopt new economic reforms that would not support state-led economy and force these countries to liberalize their economies.⁴⁸ In this sense, many studies generally put forward that economically capitalized countries are more likely to achieve democratization compared to the countries whose economies are controlled by the government.

This perspective emphasizes the importance of the absence of a government control over the economy in democratization process, and brings out private enterprise under a capitalist economic structure. However, capitalist economy does not always lead to the democratization but it may rather hinder the democratization, as in the case of many Latin American countries such as Brazil and Mexico as well as in Asian ones such as the Philippines and Singapore that challenged to democratization despite their high degree of private enterprise.⁴⁹ In this sense, Linz and Stepan suggest a crucial argument which emphasizes that a democratic consolidation can be achieved by an effective state for institutionalization of economic conditions for society because neither command economy in which state unquestionably holds all economic policies and property, nor fully pure economy in which society is under the risk of international market swings, are compatible with a modern consolidated democracy concept.⁵⁰ Consequently, existence of an effective democratic government is vital for economic dimension of a modern democratic consolidation.

⁴⁷ Brynen et. al, p. 15.

⁴⁸ Brynen et. al, p. 17.

⁴⁹ Sodaro, pp. 214-215.

⁵⁰ Linz and Stepan, pp. 11-13.

D. External Actors

The external environment might have a significant impact on the political liberalization process of a country. The external environment may include both international factors such as international structure (globalization), and wars that shape the world history; and external actors such as superpowers that are influential on other states' political decision-making processes (such as the US and the Soviet Union during the Cold War), international organizations, (such as the EU), international financial institutions (such as IMF and World Bank) and the international media. Both international/external factors and actors have a mixed potential to create a positive and even a negative impact on the democratization process of a country.

International structure can be seen as an influential factor in the democratization process of an authoritarian country. As Brynen et. al. note that while globalization is represented as a facilitator factor for democratization thanks to its role in removing international barriers, promoting the information flow around the world and supporting the movements of democracy against authoritarian regimes; it may also strengthen the authoritarian regimes by causing a societal reaction of existing ruling regime against the new democratic one.⁵¹ Similarly, during the Cold War period, the Communist threat forced many countries to strengthen its democratic institutions. However, at the same time the Communist countries that identified democracy with the capitalist world disliked the whole concept.

As an external factors as Sodaro points out a war may create both negative and positive effects for the democratization process of a country. For instance, while a war requires a strong leadership as well as overwhelming limitations on democratic institutions like freedom of press or freedom of public expression, it may also produces democratization as in the case of the World War II when the winners of the war forced the losers to democratize.⁵²

In addition as an external factor, the media provides a world-wide information network that is available for all societies around the world. Since

⁵¹ Brynen et. al, p. 19.

⁵² Sodaro, p. 219.

availability of information about politics is important for societal awareness of political decisions of the government, media has an important role to promote democratic institutions and values in the political liberalization process of a country. However, this availability of information about politics may serve not only to democratization, but also supporters of existing authoritarian regime in a country. While the existence of global media may play a facilitator role for the removal of authoritarian and violent pressures of a government by providing a social awareness in both domestic as well as international area, it may also serve to the advantages of other pro-authoritarian groups in the society. As Hamilton and Kim argue opposition groups may turn the existence of a global media into their advantage to destroy the government in democratization process.⁵³

Similarly, external actors such as the superpowers like the US and international financial institutions such as the IMF and the World Bank as well as international organizations like the European Union (EU) and the United Nations (UN) all have important roles in shaping democratization and political liberalization process of a country. However, these external actors have also a mixed potential to create both positive as well as negative impact on democratization process of a country.

Although policies of international financial institutions such as IMF and World Bank seem to be supporting the political liberalization in the third world countries, their rigid economy policies create serious economic problems that undermines democratization process of a country. Although international financial institutions such as the IMF and the World Bank and other international organizations such as the EU and the UN insist on the democracy promotion in the developing states as a conditionality for economic assistance or full membership, their rigid policies and real intentions (caring about their economic or security interests over the democratization of these countries) may push democratizing countries into the process political de-liberalization.

⁵³ Hamilton and Kim, p. 114.

1. The United States and the European Union

Huntington points out the positive impact of both European Community and the USA on the third wave of democratizations that have started in mid-1970s. He argues that the the third wave of democratization can not be explained without consideration of the EU's contributions to facilitate the promotion of democratization in South and Eastern Europe, and the US's efforts to impose democratization in several ways in the Latin America and Asia.⁵⁴

US democracy promotion policy has started in 1970s together with the legalization of the prohibition of human rights violations by the Congress in 1974. Once human rights became the main center of the US foreign policy starting with the Carter Administration in 1977 and continuing with Reagan Administration, the US governments have widened scope of the foreign policy concerning human rights by challenging the violations in Asian and the Latin American authoritarian regimes as well as communist regimes. Throughout 1980s, American policy to challenge human rights violations and to spread democratization has not only targeted communist regimes, but also non-communist dictatorships.⁵⁵

In this context, by defining itself as the protector of human rights and democratic values around the world, the US government has used several methods in political, economic, military and diplomatic means in order to realize its' foreign policy objective on spreading democratization globally. US in order to protect the existence of democratic governments in its area of influence, created its National Endowment for Democracy in 1983. However, the USA was not successful in its democracy promotion process in every single country. According to Huntington while the USA succeeded in Chile, Korea, Poland, Taiwan, Portugal and Bolivia, it failed in the Dominican Republic, Grenada, El Salvador, Guatemala, Peru, Ecuador, Panama, Honduras, Uruguay, and the Philippines.⁵⁶ Similarly, US efforts for political liberalization in the Middle East have not been successful.

However, despite Huntington's positive approach towards USA's good will to spread democratization in the world, in general majority of the developing

⁵⁴ Huntington, pp. 86-87.

⁵⁵ Huntington, p. 92.

⁵⁶ Huntington, p. 98.

countries including the Middle Eastern and North African countries are skeptical about USA's intentions in its promotion of political liberalization/democratization policies. During the Cold War period, the US's justification to establish its military bases to the countries that were in danger of Communist threat and were in urgent need for a democratization was met with skepticism. As Hamilton and Kim argue the US's establishment of its military bases has actually promoted anti-democratic institutions rather than democratic institutions since US government supported pro-American dictators.⁵⁷

The European Community during its enlargement throughout 1980s supported democratization in the Southern European applicant countries, namely Greece, Portugal and Spain, which all received full EC membership in the 1980s. The EU takes liberal democracy as its main acceptance condition to qualify a country as a full member. As part of the EU's political conditionality, each candidate country is obligated to strengthen its democracy in line with liberal democratic values. This has to be done even before the start of negotiations if the country is aiming to become a full member of the Union. Similar political conditions seem to be applied by other international organizations, such as the Council of Europe, NATO, and the OSCE. However, none of them apply them as strict as the EU. The EU's application criteria are the most rigid. It requires the implementation of political, economic and social rights and benefits for all citizens of candidate countries. The EU also judges these measurements of democracy in the Regular Reports it publishes on candidate countries' progress toward accession. Consequently, the EU has become increasingly powerful in its impact on democratization and democratic consolidation through its enlargement policies.⁵⁸

In the Middle East and North Africa (MENA) region and particularly in Egypt both USA and the EU seem to have considerable impact on political liberalization through bilateral agreements, direct grant programs, aids, partnership initiatives, international financial institutions, association agreements, action plans, and neighborhood policies. However, despite these aids, programs, partnerships and

⁵⁷ Hamilton and Kim, p. 114.

⁵⁸ Uğur Burç Yıldız, *The European Union and the Democratic Consolidation in Europe, the Impacts and Limits*, **Democratic Consolidation in Turkey**, (Ed. Müge Aknur), Universal Publishers, Florida, 2012, pp. 286-287.

initiatives neither the USA nor the EU succeeded in promoting political liberalization in Egypt.

III. STRUCTURAL ANALYSES AND RATIONAL CHOICE THEORIES

Comparative politics have been guided by three research schools namely, culture, structure and rational choice approaches.⁵⁹ In an attempt to analyze the failure of external actors, the USA and the EU in promoting political liberalization/democratization in Egypt, this thesis will refer to the structuralist analysis. The structural problems the USAID and the EU faces in their decision-making will be analyzed through the structural analysis. Additionally, the decisions taken by the external actors –that cause the failure of the political liberalization efforts— will be analyzed through the rational choice approach.

Structuralists mainly look at how structural factors such as institutions shape politics. How the political behavior is conditioned by the structure or institutions is the main subject of the structuralists. Structuralists that concentrate on political and social institution, emphasize the formal organizations of governments. Some structuralists study political parties and interest groups while the others concentrate on Marx's area of class relations. The way societies and states interact with each other is also the studied by the structuralists. Structuralists analyze relations among actors in an institutionalist context.⁶⁰ In this context, the way the structure of the aids given by the USA and the structure of the decision-making in the EU will be analyzed through the structural approach.

Rational choice approach argues that 'actors are rational in the sense that they will choose the alternatives that maximize their chances of accomplishing their purposes'.⁶¹ Barbara Geddes points out that 'among the alternatives of their choices actors will choose the one that will maximize their interests'. In this context both the

⁵⁹ For an in depth analysis of culture, structure and rational choice see Lichbach and Zuckerman's book entitled **Comparative Politics, Rationality, Culture, and Structure**, Cambridge University Press, Cambridge, 1997.

⁶⁰ Ira Katznelson, "Structure and Configuration in Comparative Politics", in **Comparative Politics: Rationality, Culture and Structure**, eds., Mark Irving Lichbach and Alan S. Zuckerman, Cambridge University Press, Cambridge, 1997, p. 81

⁶¹ Barbara Geddes, "Uses and Limitations of Rational Choice in the Study of Politics in Developing Countries", **American Political Science Association Meeting**, Washington, September 1993, p. 1.

American leaders and the EU's foreign policy-makers chose the alternative that would maximize their interests. For the United States there were two choices concerning the promotion of the political liberalization in Egypt. US was either secure its energy routes in the region by supporting the pro-American authoritarian Mubarak regime or will give a full support to democratization in Egypt which could have brought an anti-American Islamist regime to power. So among these choices the US decided to continue with the authoritarian regime that would secure its energy routes. For the EU the most important choice in the region was bring economic development and create stability in the region. Economic development would provide new markets for the EU and moreover, would stop the immigration from MENA region to the EU member states. For the EU, it did not matter who provided these conditions, if it were an authoritarian regime, they would support it to maximize their interests.

Conclusion

Since the Middle Eastern countries at the moment are not ready to go as far as the democratization and the democratic consolidation stage,⁶² they are mainly busy with partial democratic opening that would be called as political liberalization. While the main function of political liberalization is starting the first step towards democratization, sometimes political liberalization can also be used as an instrument for the survival of authoritarian regimes. Authoritarian leaders refer to some democratic openings to please the frustrated people temporarily and protect their survival. Such political liberalization movements usually results in reversal of the movement in a short time. Consequently, political liberalization movements in the Middle East failed in short periods of time. Actually, except for Turkey and Israel, almost all Arab and North African countries are subject to authoritarian regimes.

Among these countries, although Egypt has repeatedly gone through a series of democratic openings during the President Sadat and Mubarak periods, none of them really moved the country towards democratization. Political culture, civil society, political economy and external environment are significant factors that shape

⁶² Although there is a fervent effort to this direction since the beginning of the Arab Spring, it is too early to judge whether these movements will result in democratization or not.

the political liberalization process in the Middle East in general and in Egypt in particular. Among these in the case of Egypt, external actors, the USA and the EU seemed to be playing a significant role through aids, agreements, grants, initiatives, and policies. However, despite all these activities they fail in their democracy promotion process.

Comparative politics approaches, namely the structuralist analysis and rational choice theory both have a strong explanatory power to analyze the reasons behind this failure. While the structural approach analyzes the institutional structure of the American aid programs and EU's decision-making mechanism, the rational choice theory examines the rational choices made by two actors to maximize their benefits.

CHAPTER 2

HISTORICAL BACKGROUND OF THE IMPACT OF EXTERNAL ACTORS ON POLITICAL DE/LIBERALIZATION IN EGYPT

Throughout the history of Egypt, there have always been external actors that had a more negative than positive impact on Egyptian political liberalization. The purpose of this chapter is to analyze the historical background of political liberalization and de-liberalization in Egypt by mainly concentrating on the impact of external actors in this process. Starting from the colonial history, continuing with the Nasser, Sadat and Mubarak era, the chapter will examine the political liberalization movements and the impact of external actors on this process.

I. LIMITED POLITICAL LIBERALIZATION DURING THE COLONIAL PERIOD

During the colonial period although the western powers such as France and British Kingdom had an impact at some democratic openings such as the establishment of a parliament, they actually promoted these changes in order to hold their control over Egypt. Additionally Ottoman governors also contributed to these liberalization movements. Following the 300 year Ottoman rule in Egypt, French occupied Egypt in 1789 during the rule of Napoleon Bonaparte. French occupation was ended by the Ottoman-British alliance. Mehmet Ali Pasha who was assigned as the Egyptian governor by the Ottoman Empire in 1805 has started political reforms by establishing an advisory council and granting of Egyptian women the right to work.⁶³ Another governor Khedive Ismail Pasha continued the reform process by establishing a nursing school for women and establishing a Shura Council in 1866 that gave the chance to Egyptian people to get involved in governmental politics. In 1881 during the rule of Arabi Pasha the first constitutional rule was established in Egypt. These reforms in education and politics were part of the modernization efforts towards the establishment of a parliamentary regime in Egypt.⁶⁴

⁶³ Veysel Ayhan, "Mısır Devriminin Ayak Sesleri", *Ortadoğu Analiz*, Vol: 3, No: 26, 2011, p. 16.

⁶⁴ Ayhan, pp. 16-17.

In an attempt to control Suez Canal, British occupied Egypt in 1882. During the seventy-year British rule, finally in 1923 a constitution that was based on superiority of the Parliament and principle of the division of powers was established. Following the 1923 Constitution, the Wafd Party that supported an independent Egypt from the British rule by reaching majority in the Parliament had formed the government in January 1924 elections. However, British government in a short time removed the Egyptian government from political power by suspending 1923 Constitution through a military intervention and supported the establishment of pro-British National Union Party that came to power.⁶⁵ Strict British control had heightened the nationalist sentiments in Egypt and a strong opposition against pro-British monarchical regime was established.

Additionally, during the 1948 Arab-Israeli War British government's dilemma whether to support Arabs or Jewish people enhanced the nationalist sentiments against the British in Egypt.⁶⁶ United Nations (UN) that took over the responsibility to resolve the conflict in the region through the Resolution 181 decided to establish two states in the region one for the Palestinians and the other for the Jews. Following the establishment of Israel on May 14, 1948, Arabs who reacted to this decision and the state of Israel started the 1948 Arab-Israeli War. Although the Arabs were defeated, 1948 War increased the ideology of Arab nationalism that was led by Egypt. Consequently, the rise of Arab nationalism and the hatred towards British has led to the establishment of independent Egypt in 1953.

II. POLITICAL DE/LIBERALIZATION UNDER NASSER'S LEADERSHIP

A group of young officers called Free Officers the leadership of Colonel Gamal Abdel Nasser supported a free Egyptian nationalism against the British monarchy and by deposing pro-British King Farouk declared an independent state in 1953. Following a short rule of Muhammad Naguib, Nasser became the president of

⁶⁵ Ayhan, p. 18.

⁶⁶ 1948 Arab-Israeli War started as a result of the reaction of the Arab world to their establishment of Israel in Palestine. British had a significant impact on the establishment of the new Jewish state by permitting the Jewish immigration from Europe to Palestine. British promised the same land both to the Jews through Balfour declaration and to the Arabs through MacMahon-Hussein letters. See Oral Sander, *Siyasi Tarih (1918-1994)*, İmge Kitabevi Yayıncılık, Ankara, 2007, p. 297.

Egypt in 1954. President Nasser as an anti-imperialist leader supported the Arab union and aimed at making Egypt the leader of the Arab World. He ruled his country according to nationalist-socialist policies. Once Nasser came to power, he expelled the UN Observers from Egypt, closed the Tiran Straits to Israel's navy and opposed the pro-western Bagdad Pact.⁶⁷ In order to establish an independent Egypt from the west; Nasser aimed at developing the country both economically and militarily. However, while trying to break its independence from the west, Nasser militarily started to depend on the Soviet Union and the Eastern bloc. He received military assistance from the Eastern bloc by signing 'Czech Arms Deal' in 1955.⁶⁸

When Nasser could not receive any financial aid from the USA and the UK for the completion of Aswan Dam, he decided to nationalize Suez Canal that was built by French and owned by British. By nationalizing the Suez Canal Nasser could control the route to oil. As a reaction to Nasser's nationalization, in 1956 France and the UK have decided to attack Egypt. Israel that was angry at Egypt for the closure of Tiran Straits also allied with this group. Although the war ended as a result of the pressure exerted from the USA and Soviet Union on the attackers, Nasser came out of the war as a hero and leader of the Arab world.⁶⁹ Most importantly, at the end of the war Nasser succeeded in nationalizing the Suez Canal and receiving the full authority on the control of Tiran Strait. The aggressive attack of the Western powers to Egypt urged the country to get close to the Soviet Union while it served to escalate anti-Western sentiments in the Arab World. Egypt's relations with the Western countries such as the US, Britain and France deteriorated at the end of this war and Egypt got closer to the Soviet Union. Furthermore, Egypt did not accept the Eisenhower doctrine that aimed to prevent spread of the Soviet Communism in the Middle East.⁷⁰

In 1967, Egypt, together with Syria and Jordan, has submitted a proposal to the UN that included the re-establishment of Palestine in the occupied territories and

⁶⁷ Bagdad Pact was established in 1955 between Turkey, Iraq, Iran, Pakistan, and Britain a bulwark of the "northern tier" states against the Soviet Union. Majority of the Arab states including Egypt saw this pact as a continuation of the British dominance in the region.

⁶⁸ Sander, p. 301.

⁶⁹ J. Howard Dooley, "Nasser and De Gaulle: Heroes in Search of A Role", **The History Teacher**, Vol: 4, No: 2, 1971, p. 50; Sander, p. 303, 312.

⁷⁰ Sander, pp. 305-307.

withdrawing of Israel from Palestinian land. However, the US in the UN Security Council vetoed the decision. This veto caused the emergence of a growing sense of anger in Arab countries against the West for their support for Israel.⁷¹

Nasser feeling good about his increasing charisma in the Middle East sought unified support to conquer Israel and expel the Jews. Accordingly, Nasser armed his country with the latest Soviet supplied planes, tanks, and other military stocks. Actually, Egypt felt, for the first time since 1948, that they were in a position to overrun Israel. In May 1967, Egypt expelled UNEF observers, and deployed 100,000 soldiers in the Sinai Peninsula and again closed the Straits of Tiran to Israeli shipping. Besides Egypt, Jordan, Lebanon, Syria and Iraq got involved in this war. However, when Israeli Air Force destroyed most of the Egyptian Air Force in a surprise attack, then turned east to destroy the Jordanian, Syrian and Iraqi air forces, Arabs lost the war in six days. At the end of the war, Israel gained the control of the Sinai Peninsula, the Gaza Strip, West of Jordan River (the West Bank), eastern Jerusalem, and the Golan Heights. After the defeat in Six Days War in 1967, Egypt has faced with high military expenditures and its economy has started to become close to the bankruptcy.⁷²

In the Khartoum meeting of summer 1967, Arab leaders reached a consensus that there should be no recognition, no peace and no negotiations with the State of Israel, the so-called “three no’s”. In November 1967, UN Security Council passed Resolution 242 in which it recognized Israel’s right to exist and called for withdrawal of Israeli troops from occupied lands. Although Egypt initiated the War of Attrition in 1969, with the goal of exhausting Israel into surrendering the Sinai Peninsula, the war ended following Nasser's death in 1970. In the aftermath of the 1967 Arab-Israeli War or Six Days War, Egypt started to receive much more military Soviet aid in order to defend itself against Israel.⁷³

Extreme nationalist Nasserist regime was quite repressive and did not allow the formation of any opposition groups. The Muslim Brotherhood which has emerged as an Islamic charitable organization but then it has politicized itself by

⁷¹ Robert McNamara, “Britain, Nasser and the Outbreak of the Six Day War”, **Journal of Contemporary History**, Vol: 35, No: 4, 2000, p. 629.

⁷² Sir Alan Munro, “Egypt: The Post-Nasser Revival”, **The RUSI Journal**, Vol: 145, No: 5, 2000, p. 66.

⁷³ Dooley, p. 52.

challenging the British monarchy and supporting the societal riots against Israel. It allied with the Free Officers during the establishment of the Republic of Egypt. Ideologically, the Muslim Brotherhood adapted Sharia-Arab nationalism while the Nasser's regime emphasized the socialist-Arab nationalism. When the Muslim Brotherhood challenged Nasser's regime, they were suppressed harshly by the Nasserite government.⁷⁴ This was an experience for that organization's future and then, the Muslim Brotherhood has redefined its strategy by not publicly provoking the ruling regime in Egypt.

During the socialist-nationalist Nasser regime there was not much political liberalization. As a result of his repressive policies Nasser did not leave any space for political opposition. His main relation with the external actors was related to his opposition to the establishment of Israel. Therefore, he was anti-western and cut his relations with France, Britain and the US. His only interaction with the Soviet Union was the weapons that were provided him by the Soviets.

III. POLITICAL REFORM TACTICS DURING SADAT'S ERA

As a result of Nasser's natural death in 1970, Anwar Sadat another military-man who was a member of Free Officers' Movement came to power. Sadat did not follow Nasser's socialist policies since these policies put the country into an economic crisis. When he was defeated in another Arab-Israeli war in 1973, where only Egypt and Syria joined, he made a radical change in his foreign policy and allied with the United States. His main intention to start the 1973 War was to get back the Sinai Peninsula he lost to Israel in the 1967 War.⁷⁵

Sadat played some role in the liberalization of Egyptian politics by allowing the transition to multi-party system. His multi-party system was formed in three forums such as the right, the centre, and the left in 1976. After he ended the single-party regime by dismissing the Arab Socialist Union (ASU), he has established the National Democratic Party (NDP) which was at the center between the socialism and the individual liberalism. However, Sadat's NDP by controlling the Political Parties

⁷⁴ Holger Albrecht, "How Can Opposition Support Authoritarianism? Lessons from Egypt", **Democratization**, Vol: 12, No: 3, 2005, p. 386.

⁷⁵ Sander, p. 537.

Committee (PPC) controlled politics. Political participation in Egypt was under NDP's control. Namely, Law 40/1977 has prohibited establishment of a party that supported a religious class, a social class or an existing political party. In a way, Anwar Sadat's policy of pluralism in has actually avoided any power-sharing between people and the ruling regime.⁷⁶

The Muslim Brotherhood was a good example for that prohibition of Law 40/1977 because of its Islamist view. That situation has hindered achievement of the political liberalization. As Cropsey noted that if there is a constraint on the political debate in a country, no election leads to the liberal democracy.⁷⁷ For example, Sadat has ordered an arrest that around over 1,500 people from radical Islamists, Leftists, Nasserites and Wafd party supporters on September, 1981. He was afraid that these groups could create civil disorder. Moreover, he has justified that arrest by claiming that those escalated a sectarian conflicts.⁷⁸ The constitution also gave the president a significant authority to dismiss People's Assembly.⁷⁹ Sadat's policies have caused to a growing opposition due to the misgovernment of the ruling regime despite its political openings.⁸⁰

In order to counterbalance the growing leftist and Nasserite opposition in the country, Sadat has initiated some political openings. This was the only way he could quiet down the unhappy people. Besides the political liberalization which was not really much of liberalization, here was also an economic dimension that behind Sadat's political openings. He applied an open door policy, *infitah*, in order to attract foreign capital and to support private enterprise.⁸¹ His economic policy of 'open door' had only served to ruling class and deepened the gap between rich and poor people.⁸² When there was a social unrest in the country he started these reforms to cure their problems. However, liberal economic policies of Sadat has also increased

⁷⁶ Joshua A. Stacher, "Parties Over: The Demise of Egypt's Opposition Parties", **British Journal of Middle Eastern Studies**, Vol: 31, No: 2, 2004, p. 220.

⁷⁷ Seth Cropsey and Arthur Milikh, "Democracy in Egypt: Applying the Tocqueville Standard", **World Affairs**, Vol: 174, No: 1, 2011, p. 52.

⁷⁸ "Egypt: From Sadat to Mubarak", **Strategic Survey**, Vol: 82, No: 1, 1981, p. 72.

⁷⁹ Kevin Koehler, "Authoritarian Elections in Egypt: Formal Institutions and Informal Mechanisms of Rule", **Democratization**, Vol: 15, No: 5, 2008, p. 977.

⁸⁰ Aknur and Karakır, p. 313.

⁸¹ Aknur and Karakır, p. 313.

⁸² İbrahim Tıǧlı, "Mısır'da Sosyal Hareketler: Kifaye Hareketi ve Müslüman Kardeşler", **Dünya Bülteni Araştırma Masası**, 2011, p. 7.

country's dependency on the international financial institutions such as the International Monetary Fund (IMF) and the World Bank by increasing foreign debts that led the reduction of the purchasing power in society.⁸³

Among the political liberalization policies taken by Sadat his policies to release all the members of the Muslim Brotherhood (who were imprisoned during Nasser period) through an amnesty law could be mentioned. However, his main reason to do so had nothing to do with freedom of speech. All he wanted was to bring out a group of people that would counter-balance the leftist Nasserites.⁸⁴ However, all of these Brotherhood members who were released from prison in a short time established an opposition movement against Sadat's rule.

This opposition mainly started with Sadat's alliance with Israel and the United States. Sadat who tried every single method to deal with Israel, eventually decided to visit the Knesset. This was a dramatic move. The leader of a country that has been fighting to destroy Israel so many times and which is considered as the big brother of the Arab world was planning a visit to Israel—which meant the recognition of Israel. This was an unbelievable move and it was unacceptable for the nationalist and religiously conservative Arabs in Egypt.

Sadat's visit of Jerusalem, although opened a new era in the Egyptian-Israeli relations, it was not welcomed by the rest of the Arab world as well as Egypt. Moreover, signing of the Washington Agreement in the aftermath of the Camp David Accords with the Israeli Prime Minister Menachem Begin in 1979 was the last straw for the nationalist Arabs. As a result of this agreement Sadat managed to get the Sinai Peninsula back and received a tremendous amount of economic support from the USA. Thus, Egypt became the first Arab country that made a peace agreement with Israel and actually recognized Israel.

While that Israeli-Egyptian peace process was positively welcomed by the Western countries, it has been condemned by not only Arab states, but also Eastern Bloc.⁸⁵ After Egyptian recognition of Israel, members of the Arab Union have immediately met on May, 1979 in order to decide a large scale of boycott in economic as well as political terms against the Egyptian government. Thus, members

⁸³ Tıǧlı, p. 8.

⁸⁴ Albrecht, p. 388.

⁸⁵ With the exception of Romania. Sander, p. 545.

of the Arab Union have decided to withdraw their embassies from Egypt by cutting all diplomatic relations, to suspend Egyptian membership in the Islamic Conference, the Arab Union and the Non-Aligned Movement, to move center of the Arab Union to Tunisia, and to stop all economic and commercial assistances of Egypt by the Arab Union.⁸⁶

Although Egypt ensured to gain an important amount of economic assistance from the US, the condemnation by Arab countries' and the isolation decision has pushed Egypt into a loneliness in the Arab World because it has been accused for betraying the Arab nationalism. In October, 1981, during a military parade for the commemoration of the 1973 War with Israel, President Sadat was assassinated by a group of radical Islamists who were not happy with the recognition of Israel and the peace treaty.⁸⁷

Sadat's political openings were quite limited. He mainly initiated these reforms in order to strengthen his own control in the country. On one hand, his political opening attempts have failed to mask regime's authoritarian character due to their limited and temporary structure; on the other hand, his Infitah policy has failed to show expected performance to promote country's economic level. Furthermore, increasing inflation has caused a considerable rise in food prices. Such an atmosphere led the opposition groups, especially the Islamic ones, to concentrate on politics.

In attempt to overcome the economic problems and the political realities of the country, Sadat searched for a resolution and decided to ally with the US, As a result he recognized Israel and signed a peace agreement. In return he got Sinai Peninsula back without a war and received a good amount of economic aid from the United States. However, this agreement cost isolation from the Arab world and his life. Sadat's assassination has proved the existence of the strong Arab nationalist and Islamic sentiments.⁸⁸ During this period impact of external actors on Egyptian politics was tremendous. However, this impact did not have much to do with political liberalization.

⁸⁶ Sander, p. 545.

⁸⁷ Sander, pp. 545-546.

⁸⁸ Munro, p. 69.

IV. ATTEMPTS FOR POLITICAL OPENINGS AND ECONOMIC LIBERALIZATION DURING MUBARAK ERA

After assassination of Anwar Sadat, Hosni Mubarak, another military-man, the vice president came to political power. Reforms that were started by the former president Sadat were pursued by the new president Mubarak. Although he was not a charismatic leader as much as his two predecessors, his decisions were more definite and stable that was clear in his open opposition against the Islamist terrorism in the country and invasion of Kuwait by Saddam Hussein in international arena.⁸⁹

Similar to Sadat, Mubarak also aimed to revitalize Egyptian economy through an economic liberalization program. Mubarak paid considerable attention to the construction of a modern Egyptian army in order to remove country's former structure of a police-state and guarantee his own survival. Furthermore, he aimed to end of the isolationism policy imposed on Egypt by the Arab World by playing an important role in the Gulf Crisis during 1990-1991. Thus, through Mubarak's foreign policy decisions in the region, Egypt has again achieved the member status of the Arab League.

A. Economic Liberalization Attempts under Mubarak: Privatization

In economic terms, President Mubarak aimed to accelerate privatization of the state industries in order to gain economic benefits from the market economy. His economic liberalization policies enhanced the tourism in the country and as a result, economic progress has also been doubled by the foreign capitals that came from the European countries as well as the Arab World.

However, similar with the economic liberalization attempts led by the former president Sadat, Mubarak failed to achieve an expected economic progress in the country. While financial resources were seriously scarce, governmental expenditures had risen. In addition the transfer of the state assets to the private sector was always hindered by the interests of the stagnant bureaucracy.⁹⁰ In this situation, foreign investors lost their confidence in Egyptian bureaucracy. Furthermore, distributive

⁸⁹ Munro, p. 70.

⁹⁰ Munro, p. 71.

affects of the economic reforms created losers and winners in the Egyptian society.⁹¹ Decreased living standards that were caused by unequal distributional effects have led to the social discontent and a challenge to economic policies of the ruling government in particularly by the Islamist segments of the society.⁹²

B. Democratic Opening Attempts Under Mubarak: Constitutional Amendments

Mubarak aimed for the leadership role of the Arab World. In order to get an international support, Mubarak had to initiate political reforms. He aimed at reforming the country's internal institutions by restoring a free media, a fair party politics, an independent judiciary and an improved civil society in Egypt. The Wafd Party that was previously prohibited was given the freedom to be established as the Neo-Wafd Party. Even the establishment of the Arab Democratic Nasserist Party (ADNP) was permitted in 1992. In this context, opposition parties hoped to compete with the NDP.

However, by moderating the domestic politics, Mubarak was aiming to follow his independent pro-American foreign policies.⁹³ However once he met opposition to his policies Mubarak government started to marginalize all political opposition. The opposition was hardly represented in the parliament.⁹⁴ As a result of Sadat's assassination Mubarak took all kinds of precautions to protect himself and his regime. He declared the state of emergency (which lasted forever) at all around the country by securing an absolute authority for his government.⁹⁵

In 1984, Mubarak government has created a new Electoral Law which granted important advantages to the ruling NDP, while representation of the opposition was limited.⁹⁶ After that, representation of new parties was based on a threshold at the level of 8%.⁹⁷ Fraud and corruption were quite common in party

⁹¹ Ariel Ivanier, "Democratization in the Middle East: The Case of Egypt", *Perspectives*, Vol: 19, 2003, p. 81.

⁹² Ivanier, p. 81.

⁹³ Albrecht, p. 383.

⁹⁴ Albrecht, p. 384.

⁹⁵ Tiğh, p. 5.

⁹⁶ Ivanier, p. 83.

⁹⁷ Ivanier, p. 83.

politics. During the 1990 elections, opposition parties protested Mubarak's government because of the fraud and intimidation that had taken place in the elections.⁹⁸ Consequently, continuation of the ruling government's absolute control on party politics has always hindered ability of the opposition to challenge to the ruling authoritarian regime of President Mubarak.

The 1992, and 1995 elections were also controlled by Mubarak and his regime. More specifically, election of the local representatives by their own constituencies was prohibited and those representatives were appointed by the government.⁹⁹ Moreover, the press law was highly restrictive. In 1995, the Penal Code was modified and some restrictive articles concerning publications were added.¹⁰⁰

Concerning the religious opposition groups that were getting stronger and stronger in the country, Mubarak has preferred a more serious strategy to suppress these groups. He attempted to paralyze militant radical religious groups by executing and incarcerating many of their members.¹⁰¹ In order to capture Islamic militants, Mubarak has used the military courts in which there was lack of a system of the fair trial according to the international rules and procedures.¹⁰² Thus, former militant radical Islamist groups such as the Jama'a Islamiya and a part of the Jihad that were internally divided, have changed their forms by moving from their form of militant radical Islamist religious group to a more moderate group. Other moderate Islamist groups, such as the Muslim Brotherhood was never allowed to join the elections. Thus, the Muslim Brotherhood through its moderate policies concentrated on its social and economic services filling the gap where the corrupt government is incompetent. In a short time, the Brotherhood even started to dominate the professional associations and syndicates such as the doctors union, the unions of teachers and engineers, student unions and university professors' associations.¹⁰³

As a result of a number of suspended freedoms at almost all parts of the social and political life, the government tried to compensate increased social

⁹⁸ Aknur and Karakır, p. 314.

⁹⁹ Ivanier, p. 84.

¹⁰⁰ Ivanier, p. 84.

¹⁰¹ Albrecht, p. 388.

¹⁰² Aknur and Karakır, p. 316.

¹⁰³ Aknur and Karakır, p. 317.

discontent against the ruling regime by initiating some kind of limited political openings. In February 2005, President Mubarak amended the Article 76 of the Constitution that would allow for a multiple-candidate system for the Egyptian presidency under a system of general and secret elections that would be controlled by the Judiciary. It was supposed to be a signal for the new interactions between society and the ruling government.

On May 10, 2005, the Parliament has approved the amendment of the Article 76 (allowing a multiple-candidate system for the Egyptian presidency) with majority. For the first time in Egyptian political life, the candidates have competed for the Egyptian presidency position. While amendment of the Article 76 has been positively welcomed by the Western countries, particularly by the US, by addressing the contribution of Mubarak's initiation of competitive elections for democratization in the country, oppositional representatives in the Parliament have protested it by claiming that new election process would be in favor of the ruling party and its candidate.¹⁰⁴ Although the opposition groups have insisted on ratification of that amendment, Mubarak's government did not accept their demand.

However, the US support for that amendment was clear as in the case of expression of Condoleezza Rice, the US Secretary of State, she publicly declared that "we will stand with Egypt, as long as its democratization efforts continues" during her visit in Cairo on June, 2005.¹⁰⁵ Consequently, the amendment of the Article 76 of the Egyptian Constitution has been passed in the Parliament in September, 2005. However, expected progress in the Egyptian politics through these presidential elections has not been achieved. The voter turnout was 23% due to the societal skepticism toward political participation in Egypt.¹⁰⁶

Presidential elections were also followed by the Parliamentary elections. In order to guarantee the fairness of the parliamentary elections, Mubarak has appointed a judge to control elections in addition to authorized civil society groups for monitoring of the election process. Under the secret vote system, transparent ballot boxes were used in order to prevent any possible ballot stuffing and also indelible

¹⁰⁴ Yoram Meital, "The Struggle Over Political Order in Egypt: The 2005 Elections", **Middle East Journal**, Vol: 60, No: 2, 2006, pp. 272-273.

¹⁰⁵ Meital, p. 273.

¹⁰⁶ Nabil Fahmy, "Egypt's Unwavering Path to Democratic Reform", **Mediterranean Quarterly**, Vol: 17, No: 3, 2006, p. 5.

inks were splashed on the hands of voters in order to prevent any possible repeat voting.¹⁰⁷ These efforts have been successful in overcoming the low voter turnout and in changing of the Parliament at 70% proportion. The 2005 Parliamentary elections have created a new constituency in Egypt that was an hope for realization of the opposition's demands such as removal of the state of emergency law, promotion of the political freedoms, and minimization of the rigid counter-terrorism law. All of these demands were hopes that would be realized in the long term by comprehensive reformation laws and legal procedures.

The main success of the 2005 Parliamentary Elections was the victory of the Muslim Brotherhood in first sight since 88 representatives of the Brotherhood entered the Parliament. There was a lot fraud in the elections; vote-brokers bought the votes of women in poverty.¹⁰⁸ Consequently, it is quiet true to state that clientalistically-based voter recruitment had an influential impact on the elections. As it was clear in the Egypt's Parliamentary elections in 2005, continuation of the violent authoritarian rules and use of force by state security forces toward oppositional activists, and corruption overshadowed the possible fairness and competitiveness of the elections, and usefulness of the amendment of the Article 76 of the Egyptian Constitution in practice.

Elections never served their purpose and never represented the general will in Egypt. Although there has been a strong competition between the NDP and the opposition parties, opposition parties were never allowed to challenge the ruling government in any political elections.¹⁰⁹ Neo-patrimonial characteristic of the Egyptian politics in which there are a number of informal institutions has always allowed for survival of the highly-personalized political power.¹¹⁰ Moreover, there was a strongly entrenched patronage in the Egyptian society in terms of buying votes. Consequently, elections were always used as instruments in order to legitimize the ruling regime.¹¹¹

¹⁰⁷ Fahmy, p. 5.

¹⁰⁸ Lisa Blaydes and Safinaz El Tarouty, "Women's Electoral Participation in Egypt: The Implications of Gender for Voter Recruitment and Mobilization", *Middle East Journal*, Vol: 63, No: 3, 2009, pp. 370-371.

¹⁰⁹ Koehler, p. 976.

¹¹⁰ Koehler, p. 976.

¹¹¹ Tigli, p. 6.

In conclusion, Egypt has experienced a number of political openings starting from Sadat's rule on. However, it has never gained a practical usefulness for the achievement of the political liberalization and democracy in the Egyptian politics. Rather, political openings were always used for the survival of the authoritarian regime in the country. This was clear in both cases of introduction of the multi-party system by President Sadat, and the constitutional amendment decision by President Mubarak. In both cases, authoritarian characteristics of the regime has never allowed for any progress toward political liberalization or democratization in the country. Similarly, economic liberalization policies have served only in favor of only small number of segments in the society who were the supporters of the ruling regime. This situation created a line between winners and losers. As a result, these temporary political openings have only served to balance the societal dissent against the ruling regime, and to gain the financial support from the Western powers, especially the US, and the international financial institutions.

CHAPTER 3

THE IMPACT OF EXTERNAL ACTORS ON POLITICAL LIBERALIZATION IN EGYPT

Although it looks as important steps had been taken towards political liberalization in Egypt, actually majority of these steps were mainly cosmetic; they were consisted of only temporary political openings rather than important democratization efforts. Particularly, during the period of President Hosni Mubarak and his National Democratic Party (NDP), the reforms were mainly realized to ease the tensions in the society. While Islamist groups and civil society organizations (such as Muslim Brotherhood) and deteriorating economy (people suffering from poverty) played a role both in promoting and hindering political liberalization in Egypt, another important factor, external actors namely, the USA and the EU had a significant impact on this process. Although quite a number of scholars argue that both external actors, the EU and the USA have a positive impact in the political liberalization and democratization process of developing countries, in the Egyptian case both actors had a negative impact in the political liberalization of Egypt. Rather than promoting the political liberalization in the country, these two actors played a permissive role for political de-liberalization and even continuation of the authoritarian regime in Egypt.

Along this line, this chapter will examine the policies followed by the USA and the EU that aimed at promoting political liberalization in Egypt. According to this, fist part of the chapter will analyze the American efforts such as programs, bilateral agreements, financial institutions, and initiatives under the aim of promotion of political liberalization process in Egypt. In second part, the chapter will also deal with the European efforts such as action plans, agreements, partnerships, and policies to contribute democratization of Egypt.

I. POLICIES FOLLOWED BY THE USA AND THE EU TOWARDS POLITICAL LIBERALIZATION IN EGYPT

In recent years, impact of external actors on political liberalization and/or democracy promotion in the Middle East has been a frequently discussed issue. More recently, as a result of the Arab Spring that has started in Tunisia and continued in a number of countries including Egypt increased the discussions on the political liberalization in the Middle East. Currently, the USA and the EU are still the most significant external actors that have an affect on the region.

Following the end of Cold War, the collapse of Communism and the dissolution of the Soviet Union, the bipolar system in the world has ended. The USA established itself as the hegemonic power affecting the balances of power in the world. Although the EU's power cannot be compared with the US in this respect, its effective role particularly in and around Europe is considerably significant. It has an important impact on its members, candidates and the neighboring states. Concerning the Middle East and North Africa region (MENA) although scholars such as Vincent Durac and Francesco Cavatorta argue that both actors have similar and shared interests and objectives in the region under the neo-liberal globalization policies,¹¹² actually, the policies followed by the EU and the USA are quite different from each and even they sometimes oppose each other.

Particularly, concerning the Palestinian-Israeli conflict, the approaches of two actors partially differ from each other. While the US adopts a coercive democracy approach by providing military equipment support for Israel, the EU adopts a more normative democracy approach by supporting the Palestinians economically and socially. The EU actually by promoting democracy in these countries that are out of its borders, through a soft power method aims to be a global actor.¹¹³

The EU, majority of the time without holding the coercive instruments, i.e. a standing military could only try to affect the events in the Middle East through

¹¹² Francesco Cavatorta and Vincent Durac, "Diverging or Converging Dynamics? EU and US Policies in North Africa-An Introduction", **The Journal of North African Studies**, Vol:14, No:1, 2009, p. 8.

¹¹³ Sinem Kaya, "Avrupa Birliği'nin Genel Ortadoğu Politikası Bağlamında İsrail'in Gazze Operasyonuna Yaklaşımı", **Ortadoğu Analiz**, Vol:1, No: 2, 2009, p. 40.

economic instruments which were not always sufficient. Besides economic instruments, EU tried to show its position towards these conflicts through declaration that included condemnations. For example, in one of the recent conflicts involving the Israeli attack on the Gaza Strip in December 2008, the EU held a meeting in Paris which Foreign Ministers of the Union joined. However, no consensus was achieved in this meeting. The EU's only response to this attack was a condemnation. The EU also paid attention not to conflict its policies with that of the USA. In this context, Cavatorta and Durac argue that both actors have common values and compatible policies particularly concerning economic, military and cultural integration under the globalization. They both address to the common benefits of international trade that would benefit them.¹¹⁴

However, as can be observed in the case of the American invasion of Iraq, foreign policy strategies of the US and the EU are quite different from each other. Concerning the American invasion of Iraq, the EU has failed to provide a consensus. Decision-making mechanism of the EU about international security issues is based on the Common Foreign and Security Policy (CFSP) which is the second pillar of three pillars of the Union. A significant problem the EU faces concerning its decisions on security, there are conflicts among its members. For example concerning the American invasion of Iraq in 2003, while Germany and France opposed that invasion, England's stance was likely to support the US. The EU's internally-divided structure actually pushes it towards aligning its foreign policies with the USA.¹¹⁵ Thus, it is possible to note that weakness of the CFSP of the EU hinders ability of the Union to make foreign policy decision independently from the US. There is sometimes an unconsciously division of labor between the US and the EU in their policies toward the MENA region. While the USA has the coercive role and EU possesses the moderative/curatory role.¹¹⁶

Policies of the US and the EU toward political liberalization and democratization of the MENA region are determined by their strategic interests in the region. Namely, both the US and the EU share a common interest in protecting and sustaining of security and stability in the region. As a result they supported the

¹¹⁴ Cavatorta and Durac, pp. 3-4.

¹¹⁵ Cavatorta and Durac, p. 2.

¹¹⁶ Kaya, p. 46; Cavatorta and Durac, p. 2.

peace agreements of Egypt and Jordan with Israel and avoided the competitions over Suez Canal in order to secure their interests about energy issues.¹¹⁷ It can be argued that policies of both two actors to promote Western liberal and democratic values in the region in order to reach their strategic interests. In the light of these common strategic interests between two actors, as Durac emphasizes, Egypt plays a key role in terms of its geo-strategic position in the region.¹¹⁸

A. The Efforts of the USA for Political Liberalization in Egypt

Egypt that is considered as the big brother of the Middle East has considerable influence over the rest of the Arab world. USA had always wanted to take advantage of this situation. Majority of the time there is a high chance that political developments taking place in Egypt could be followed by other Arab states. From this perspective, Egypt's possibility to adopt the Western values and institutions such as democracy, liberalization, and free market economy has a potential to encourage the other Arabs states to adopt these values and institutions.

Starting from the Camp David Agreement of 1982, Egypt has followed a pro-American foreign policy and started receiving foreign assistance from the American government under framework of the USAID as well as indirectly through the IMF stand-by agreements and the World Bank. In this context, Edward S. Walker describes the Camp David Accords as an irrevocable and irreplaceable step in the US-Egyptian relations in which Egypt has become the first Arab state to recognize Israel officially.¹¹⁹ Although President Sadat has paid this decision with his life, when he was assassinated with a nationalist Arab, it has become a turning point in the US-Egyptian relations which led \$20 billion USAID assistance for Egypt between 1975 and 1997.¹²⁰ Today, Egypt is the second largest assistance-recipient country of the USAID after Israel. Egypt's unique role in peace process, its cultural

¹¹⁷ Ana Echagüe, "The Role of External Actors in the Arab Transitions", **Fride Policy Brief**, No: 122, 2012, <http://www.fride.org/publicacion/1004/el-papel-de-los-actores-externos-en-las-transiciones-arabes>, (31.05.2012), p. 3.

¹¹⁸ Vincent Durac, "The Impact of External Actors on the Distribution of Power in the Middle East: The Case of Egypt", **The Journal of North African Studies**, Vol: 14, No: 1, 2009, p. 83.

¹¹⁹ Edward S. Walker, "United States-Egyptian Relations: Strengthening Our Partnership", **SAIS Review**, Vol: 17, No: 1, 1997, p. 148.

¹²⁰ Walker, p. 149.

impact on other countries in the region, and its strategic importance for external actors through its geo-political position in the region are explanatory indicators to understand the large amount foreign assistance that granted for Egypt by the United States.¹²¹

There is actually strategic cooperation between the Egypt and the United States. As a response to USAID assistance, although Egyptian government opposed the American invasion on Iraq, it has allowed the transition of the US troops through the Suez Canal.¹²² As argued by Walker while Egypt needs the US assistance to strengthen its institutions during its political liberalization process, the US needs Egypt to reduce and control impacts of the hostile countries to the peace process in the region.¹²³ However, despite US government looked as it was willing to support the political liberalization in the country, it did not refrain from sending its aid to the authoritarian government of Hosni Mubarak in power.

Another factor that leads to a strategic relationship between Egypt and the US is existence of the religious extremism in the region. The existence of the religious extremism/radical Islamism in the region creates an important threat for the Western world, especially for the USA, particularly following the terrorist attacks of September 11. The existence of the radical Islamism has represented an obstacle to the achievement of the American policies in the region. In this context, Walker calls attention to the US's suspicion toward the religious fundamentalism associated with the Muslim Brotherhood that is contrasting with the Western liberal policies, interests, and values.¹²⁴ Iranian Revolution in 1979 and September 11, 2001 terrorist attacks that are associated with the radical Islamist groups have made existence of the Islamist movements an important threat for the US.

Fatma Sayed points out the causality between democratization and militant religious movements by pointing out the slow democratization and low socio-economic standards that urge the militant Islamism.¹²⁵ In other words, considering low socio-economic life standards which lead to a general social discontent against

¹²¹ Fatma Sayed, "Security, Donors' Interests, and Education Policy Making in Egypt", *Mediterranean Quarterly*, Vol: 16, No: 2, 2005, p. 67.

¹²² Durac, p. 82.

¹²³ Walker, p. 149.

¹²⁴ Walker, pp. 152-156.

¹²⁵ Sayed, p. 68.

the Egyptian repressive authoritarian regime, have a potential to increase popular support for religious groups and movements. Consequently, it can be predicted that these low socio-economic standards have an ability to narrow the American sphere of influence and its credibility in the region. Consequently, it must be noted that the Western desire to control and to mitigate potential threat of the radical Islamist movements and groups in the country that are known as militant, is an explanatory factor for understanding of a large amount American assistance to Egypt.¹²⁶ In the light of all these reasons, the US actually pays a significant attention to increase its relations with Egypt in order to protect its strategic interests in the region. Among the American assistances and policy instruments for democracy promotion in Egypt, this chapter will examine the US Agency for International Development (USAID), bilateral agreements, direct grants programs, The Middle East Partnership Initiative (MEPI), the Middle East Transition Office, The Broader Middle East and North Africa Initiative (BMENA), and US-led international financial institutions such as the IMF and the World Bank.

1. The USAID and Bilateral Agreements and Direct Grants Programs

Through the US Agency for International Development (USAID), the US provides several kinds of assistance to countries that have entered into the democratic transition process. The USAID, which was established under the Foreign Assistance Act by former US President John F. Kennedy, is an authorized department of the US government for management of civilian foreign assistance of the US for other countries. In order to overcome of domestic problems that hinder political liberalization of underdeveloped countries, the USAID provides aid by focusing on socio-economic development, reduction of poverty, protection of the environment, promotion of the cooperation concerning global issues and the monitoring of the US's bilateral strategic interests. In return for its assistance, the USAID demands the completion of political, economic and social reforms in these democratizing countries. USAID aims at expanding liberal values and democratic

¹²⁶ Sayed, p. 68.

institutions around the world in the light of foreign policy priorities and national strategic interests of the US government.

Accordingly, the USAID in attempt to promote peace and stability in the region, to initiate economic reforms, and to fight with extreme Islamist movements that are involved in terror cooperates strategically with the Egyptian government. In order to promote democracy in Egypt, USAID follows two methods namely the bilateral agreements and direct grants programs. Bilateral agreement programs are ran between the US government and the government of Egypt. The USAID's Office of Democracy in Egypt classifies bilateral agreement programs in three main groups, such as the rule of law and human rights, good governance and civil society programs. For instance, Family Justice Project under the Rule of Law, Decentralization Initiative under Good Governance, and Media Development Project under Civil Society Program are examples for bilateral agreements between the US and Egyptian governments.¹²⁷

As the second method to promote political liberalization in Egypt, USAID's direct grant programs represent agreements between USAID and the NGOs as well as other civil society organizations. In these agreements Egyptian government's approval is not required. Direct grants programs were considerably problematic since there was no mechanism to control Egyptian government's allocation of USAID funds which were given for the achievement of political liberalization. For this reason, direct grants programs have been reorganized through an amendment by the USAID/Egypt in 2004. That amendment has removed authority of the Egyptian government to use USAID/Egypt's funds freely without consulting the US government. That amendment has created direct grants programs by granting a right for the USAID/Egypt to provide funding disbursements directly to the NGOs and civil society organizations which were not even recognized by the Egyptian government. Civil Society Direct Grants Project was actually the best examples of the direct grants programs between the US government and the civil society organizations in Egypt.¹²⁸

¹²⁷ USAID, "Audit of USAID/EGYPT's Democracy and Governance Activities", **Office of Inspector General**, 27.10.2009, (Audit), <http://www.usatoday.com/news/pdf/usaidaudit.pdf>, (12.06.2012), p. 6.

¹²⁸ USAID, Audit, pp. 3-6.

2. The Middle East Partnership Initiative (MEPI) and the Middle East Transition Office

The Middle East Partnership Initiative (MEPI) was formed by the US government in 2002 with the ultimate aim to develop reforms around the MENA region. It mainly concentrated on electoral process, political parties, civil society, and the media.¹²⁹ Under the MEPI, the US government supported the achievement of Egypt's reform-related activities through the USAID Cash Transfer Program. The Cash Transfer Program aims at developing the financial sector by reforming industrial and banking areas; to develop trade sector by reducing trade barriers; to reform business law by modernizing trade and business laws such as intellectual property rights. It also plans to develop fiscal sector by reforming tax policies; to develop monetary policy by reforming the foreign exchange rates; to reform data dissemination by improving data standardization; and to develop environmental protection by promoting environmental regulations.¹³⁰

More recently, in order to provide coordination and improvement of foreign assistance funds for the countries which are going through political liberalization in the region, the US government established the Middle East Transition Office in 2011. This new office aims at developing new strategies concerning political liberalization or transition to democracy of the MENA countries by cooperating with the NGOs and international financial institutions such as the IMF and the World Bank. Under this new office, the US government has aimed to improve co-ordination of its democracy promotion policies for three Middle Eastern countries namely, Egypt, Tunisia, and Libya.¹³¹ Together with this new office, Barack Obama government has committed and promised that democracy promotion policies of the US in Egypt and Tunisia will include integration into the global economy by

¹²⁹ Echagüe, p. 2.

¹³⁰ GAO, "Foreign Assistance: USAID's Cash Transfer Program in Egypt Supports Economic Reform Activities, But Various Factors Have Limited Its Influence", **Report to the Chairman, Committee on International Relations, U.S. House of Representatives**, 11.07.2005, <http://www.gao.gov/new.items/d05731.pdf>, (10.06.2012), p. 6.

¹³¹ Josh Rogin, "State Department Opens Middle East Transitions Office", **Foreign Policy**, 12.09.2011, http://thecable.foreignpolicy.com/posts/2011/09/12/state_department_opens_middle_east_transitions_office, (01.06.2012).

enhancing reform promotion, financial stability, and market competitiveness.¹³² In the light of these initiatives, a large budget about \$800 million has committed by the US government for Arab countries under the framework of the Middle East and North Africa Incentive Fund.¹³³

Between 1989-2009 the USAID has frequently made investments in Egypt that totaled more than \$800 million for reform projects toward decentralization and development of local governments. Reform activities that were supported by the USAID/Egypt under democracy and governance programs aimed to accelerate political liberalization reforms in Egypt. According to USAID's data, the US's economic assistance to Egypt until 2009 was about \$ 415. Out of this total \$55 million was reserved for democracy promotion objective in the country.¹³⁴ Under democracy promotion objective, the USAID has aimed to increase political participation in a competitive political environment. By doing so it intended to guarantee efficiency of the local governments by decentralizing the power and reform legal services in Egypt. Between 1999 and 2009, the USAID/Egypt's funding assistance to improve democracy promotion and governance programs was approximately \$24 million.¹³⁵

The Strategic Plan for 2000-2009 that was prepared by USAID/Egypt was updated in 2004. That update has envisaged several improvements in some reform policies under Democracy and Governance Objective. These reforms included judicial reform for criminal and civil courts, legal education, improvement of justice for women and other disadvantaged groups, promoting support for grassroots organization by enhancing ties between the state and its citizens. Moreover, they included reforms for improvement of transparency and accountability in government policies, for development of political process, and for the media.¹³⁶ The improvement of an efficient environment for political processes, promotion of the state's

¹³² Rogin.

¹³³ Susan Cornwell, "Obama Proposes \$800 Million in Aid for 'Arab Spring'", **Reuters**, 13.02.2012, <http://www.reuters.com/article/2012/02/13/us-usa-budget-foreign-idUSTRE81C1C920120213>, (01.06.2012).

¹³⁴ USAID, Audit, pp. 2-3.

¹³⁵ USAID, Audit, p. 3.

¹³⁶ USAID, "USAID/EGYPT Strategic Plan Update for Fiscal Years 2000-2009", **USAID/EGYPT Strategic Plan Update**, Mart 2004, (Update), http://pdf.usaid.gov/pdf_docs/PDACA516.pdf, (07.06.2012), p. 3.

accountability toward its citizens, and promotion of accessibility of the legal services were the primary objectives of that update of the Strategic Plan of USAID/Egypt for 2000-2009 fiscal years.¹³⁷ Thus, there has been a rise in USAID's assistance funding for Egypt about 97% during 2004 fiscal year and it has actively continued in 2006, 2007 and 2008 fiscal years, despite a temporary reduction in 2005.¹³⁸

The Strategic Plan Update for 2000-2009 fiscal years included a number of reform objectives in Egypt such as improvement of anti-corruption measurements, promotion of human rights, and reformulation of political process under a powerful transparency. According to USAID/Egypt audit report of 2009, 65% of targeted reforms have been achieved by the end of 2008 fiscal year in Egypt. These reforms were mainly on some significant issues such as enforcement of the justice, promotion of the government accountability, advancement of the media independence, and enforcement of functional capacity of the civil society organizations in the country. More specifically, after the USAID/Egypt Strategic Plan Update of 2004, 80% of civil society direct grants activities and 35% of media development activities under the civil society program, 32% of decentralization activities under the good governance program, and 70% of family justice activities under the rule of law and human rights program have been achieved by the end of 2008 fiscal year in Egypt.¹³⁹ For fiscal years from 2004 until the end of 2012, the USAID has reserved a budget about \$181 million for Egypt's democracy promotion and it has recorded that \$85 million of it was disbursed until September 30, 2008 for reform activities in Egypt in the areas including the rule of law, human rights, good governance and civil society.¹⁴⁰

3. The Broader Middle East and North Africa Initiative (BMENA)

In order to support democratic reforms in the MENA region, the US Department of State has launched the Broader Middle East and North Africa Initiative (BMENA) in 2004. It represents a cooperation between G-8 countries such

¹³⁷ USAID, Update, pp. 20-23.

¹³⁸ USAID, Audit, p. 1.

¹³⁹ USAID, Audit, pp. 7-8.

¹⁴⁰ USAID, Audit, p. 4.

as the US, Germany, the United Kingdom, France, Italy, Japan, Canada, and Russia, and MENA partners such as Afghanistan, Algeria, Bahrain, Egypt, Syria, Jordan, Tunisia, Iran, Iraq, Libya, Lebanon, Mauritania, Morocco, Oman, Pakistan, Qatar, Kuwait, Yemen, Saudi Arabia, Sudan, Turkey, United Arab Emirates, and West Bank/Gaza.

Under the framework of the BMENA, the US has aimed to increase dialogue between countries in the MENA region and the Western governments that support reforms toward political liberalization and democratization in the region.¹⁴¹ Today, the BMENA is trying to contribute economic and political reforms in the region through two types of instruments to provide contributive foreign assistance for democratic transition in the region. First one is ‘the Foundation for the Future’ which targets to enhance NGOs, to promote the rule of law, to guarantee fundamental freedoms of individuals, and to improve capacity of health and education areas throughout the region. While the BMENA aims at realizing these political, legal, and social reforms under ‘the Foundation for the Future’, it also aims at contributing some economic reforms for economic stability and development of the region. Namely, second instrument of the BMENA is ‘the Fund for the Future’ which aims at developing small and medium size business enterprises, to promote job opportunities, and to improve economic growth rates in the MENA region.¹⁴²

4. The US-led International Financial Institutions

In addition to these policy instruments such as MEPI, BMENA, as well as bilateral agreements and direct grants programs that are led by the US in its democratic promotion policies in the MENA region, impact of the US-led international financial institutions such as the International Monetary Fund (IMF) and the World Bank (WB) seems to be effective in political liberalization and democratization process in Egypt in particular, and in the MENA region in general. By providing funds to the region these international organizations seems to have a

¹⁴¹ Jeremy M. Sharp, “U.S. Democracy Promotion Policy in the Middle East: The Islamist Dilemma”, CRS Report for Congress, 15.06.2006, <http://www.fas.org/sgp/crs/mideast/RL33486.pdf>, (02.06.2012), pp. 10-11.

¹⁴² Sharp, p. 10.

significant impact in this process. Moreover, the impact of these international financial institutions is not limited only to the granting of credits for recipient countries, they also assure extra credits from other external donors.¹⁴³

While Egypt refused to receive IMF loan in 2011, it accepted it in 2012 to avoid any feasible currency crisis that was caused with the recent political uprisings. In 2012, talks between Egypt and the IMF started for a \$3.2 billion loan.¹⁴⁴ Furthermore, more recently, the World Bank has proposed 6 billion loans for Egypt and Tunisia, of which \$4.5 billion was reserved for Egypt, for 2012 and 2013 in order to support the costs of Arab Spring in these countries.¹⁴⁵

In sum, it can be stated that the American efforts to promote political liberalization and democratization through its policy instrument such as USAID, MEPI, BMENA, as well as bilateral agreements and direct grants programs and US-led international financial institutions (IMF and the World Bank) seems to have quite a serious impact in Egyptian political life.

B. The Efforts of the EU for Political Liberalization in Egypt

In addition to the US, the EU is also another important external actor which has a considerable impact on political liberalization and democratization processes in the MENA region. Similar with the US, the EU also followed certain policies and initiatives for political liberalization and democratization of the MENA countries. As Peter Schraeder argues the EU's commitment for democracy promotion is based on an agreement which recognizes democratization as an internationally accepted norm for all countries.¹⁴⁶

Historically, Egypt's relations with Europe goes back to colonial period when it was dominated first by France and then by British Kingdom. In the context of EU, Egypt's relationship with this international organization has its roots in the 1970s. A

¹⁴³ Echagüe, p. 3.

¹⁴⁴ Ian Talley, "IMF: Egypt Needs Broader Political Support For A Loan Deal", **The Wall Street Journal**, 10.04.2012, <http://online.wsj.com/article/BT-CO-20120410-714349.html>, (01.06.2012).

¹⁴⁵ Ahmed Rajab, "World Bank Announces U.S. \$ 6 Billion For Egypt and Tunisia", **Yalla Finance**, 25.05.2012, <http://yallafinance.com/2011/05/25/world-bank-announces-u-s-6-billion-for-egypt-and-tunisia/>, (01.06.2012).

¹⁴⁶ Peter J. Schraeder, "The State of the Art in International Democracy Promotion: Results of a Joint European North-American Research Network", **Democratization**, Vol: 10, No: 2, 2003, p. 30.

number of bilateral contracts and protocols have been signed between Egypt and the European Community (EC) in commercial terms between 1975 and 1977. During this period Egypt was known as the largest recipient country of the EC in the Mediterranean.¹⁴⁷ In the light of developing bilateral relations between Egypt and the EC, in an attempt to administer the European assistance to Egypt, the Euro-Egyptian Council was established in 1983. Following the establishment of the Council, relations between Egypt and the EC have gradually progressed both in economic and political spheres. The most significant initiative between the Mediterranean countries and EU was launched through the Euro-Mediterranean Partnership in the 1990s.

1. Euro-Mediterranean Partnership (EMP)

Following the proposal of EU for the establishment of the Euro-Mediterranean Partnership (EMP) in October 1994, the Partnership came into force in November 1995 by the Barcelona Declaration. At its initial stages, it included 12 non-member Mediterranean partner countries (Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, the Palestinian Authority, Syria, Tunisia and Turkey)¹⁴⁸ together with 15 EU member states. After Malta and Cyprus were included into the Union in 2004, partnership included 25 EU member states together with 10 Mediterranean partner countries. After EMP was re-launched in 2008, its name was changed as ‘The Union for the Mediterranean’. Today, it is known together with its both two names and it includes 16 Mediterranean partner countries as Bosnia-Herzegovina, Algeria, Albania, Croatia, Egypt, Israel, Jordan, Lebanon, Mauritania, Monaco, Montenegro, Morocco, the Palestinian Authority, Syria, Tunisia and Turkey together with all 27 members of the EU.¹⁴⁹

The main target of the EMP is to support basic initiatives toward political, economic, and cultural liberalization around the MENA region such as protection and survival of regional peace, promotion of regional stability, and protection of

¹⁴⁷ Mohammad El-Sayed Selim, “Egypt and the Euro-Mediterranean Partnership: Strategic Choice or Adaptive Mechanism”, **Mediterranean Politics**, Vol: 2, No: 1, 1997, p. 68.

¹⁴⁸ The League of Arab States and the Arab Maghreb Union (AMU) were invited, as was Mauritania.

¹⁴⁹ European External Action Service, “Union for the Mediterranean”, **Delegation of the European Union to Egypt**, http://eeas.europa.eu/delegations/egypt/eu_med_mideast/index_en.htm (02.06.2012).

prosperity of the region.¹⁵⁰ Furthermore, the EMP aims at establishing a common free-trade area in promoting regional prosperity in the MENA.¹⁵¹ Therefore, the EMP aims at monitoring bilateral agreements between all Mediterranean partner countries, including Egypt, and the EU under the framework of international liberal norms and principles. To realize this aim, the EMP pays attention to the protection of human rights, promotion of the rights of children, youth, and women, the support of association freedom and civil society by widening of the NGOs' functional capacities, the promotion of the political participation, and creation of a cooperative willingness in order to support legal justice under the rule of law throughout the member Mediterranean countries.¹⁵² From the cultural perspective, the EMP also aims to achieve rapprochement both within the MENA region and between European and Mediterranean societies by promoting inter-cultural understanding.¹⁵³

2. EU-Egypt Association Agreement

In European-Egyptian relations, the EU-Egypt Association Agreement that has been drafted in January 1995 refers to an important step in terms of the European contribution on political liberalization and democratization process of Egypt. Differing from the EMP, the EU-Egypt Association Agreement was a bilateral agreement between government of Egypt and the EU. When it was firstly drafted, agreement had included a number of important issues about political liberalization of Egypt such as political dialogue, rights of establishment of services, provisions about competition on economy, cooperation concerning education, science and technology, cooperation regarding social and cultural issues, financial cooperation, and the establishment of an association council.¹⁵⁴ By replacing with the Cooperation Agreement which was signed in 1977, the EU-Egypt Association Agreement came into force in 2004.

¹⁵⁰Durac, p. 81.

¹⁵¹ Costanza Musu, **European Union Policy Towards the Arab-Israeli Peace Process: The Quickstands of Politics**, Palgrave Macmillan, New York, 2010, p. 57.

¹⁵² Durac, p. 81.

¹⁵³ Musu, p. 57.

¹⁵⁴ Selim, pp. 75-77.

Today, the EU-Egypt Association Agreement serves as an instrument to manage bilateral relations between Egypt and the EU. Under the framework of that agreement, some values about economic and political liberalization were highlighted for continuation of the European-Egyptian bilateral relations such as rights for economic freedom, democratic principles, human rights, and political stability. Moreover, in regional level, the EU-Egypt Association Agreement aims to improve economic development, enhance regional cooperation, guarantee regional peace and security, and establish regional stability and prosperity in and around the MENA region.¹⁵⁵ These principles of the EU-Egypt Association Agreement were formed on the basis of the principles of the UN Charter. By protecting and improving these principles, acceleration of democratization process and completion of some important steps toward political, economic, and social liberalization were aimed in Egypt. In this sense, Article 67 of the EU-Egypt Association Agreement highlights some targets which form titles of first three chapters of the agreement such as promotion of cooperation and dialog on social matters, prevention of illegal immigration and control of other consular affairs, and promotion of cooperation on some issues about audio-visual media, information and culture in Egypt.¹⁵⁶

3. EU-Egypt Action Plan

In addition to the EU-Egypt Association Agreement, in an attempt to achieve the targeted objectives in the Agreement, the EU-Egypt Action Plan was created. The EU-Egypt Action Plan by playing a significant role in achieving the targeted objectives under the EMP and the Association Agreement forms a binding basis in the achievement of planned reform policies and activities between Egypt and the EU. In this context, the Plan targets implementation of national reform programs in economic, political and social matters, promotion of common values, and improvement of shared interests with the joint ownership between Egypt and the

¹⁵⁵ Durac, p. 81.

¹⁵⁶EEAS, “The EU-Egypt Association Agreement”, **Association Agreements**, http://eeas.europa.eu/egypt/aa/06_aaa_en.pdf (01.06.2012), p. 49.

EU.¹⁵⁷ Moreover, in regional level, the EU-Egypt Action Plan aims to terminate regional conflicts, and promote opportunities for both regional and sub-regional cooperation by protecting peace and security in the MENA region. In the light of these aims, the Action Plan also aims for liberalization of trade, improvement of economy, and promotion of political cooperation around the MENA region. In national level, the EU-Egypt Action Plan highlights some important national priorities such as promotion of life standards and social security, reduction of poverty level, protection of human rights and fundamental freedoms, support of economic growth rates, improvement of scientific and technological development in Egypt.¹⁵⁸

The EU-Egypt Action Plan also describes some necessary priorities for an action as strengthening of political dialogue and cooperation and fighting against terrorism by increasing political dialogue on security issues such as disarmament and non-proliferation of mass destructive weapons. Among other priorities it includes improvement of efficiency of democratic institutions such as the rule of law and independent justice, promotion of cooperation against organized crimes such as human trafficking and money laundering, challenging discrimination and racism by promoting dialogue among cultures and religions, and protecting human rights in Egypt and MENA.¹⁵⁹ In addition, other priorities in the Action Plan include enhancement of Egypt's export potential and endorsement of economic integration in the Union under trade liberalization, promotion of macro-economic management by supporting private sector, endorsement of industrial development by supporting new technologies, enhancement of existing economic dialogue, reformation of tax system by upgrading public institutions, promotion and encouragement of foreign direct investments in regional projects such as infrastructure and energy, improvement of cooperation on reduction of poverty by supporting social development both in Egypt and in the Union. Furthermore, promotion of scientific and technological innovation capacity by increasing cooperation on the fields of science and technology, support for cooperation on transportation and environmental issues, and improvement of

¹⁵⁷ European Commission, "EU/Egypt Action Plan", **European Neighbourhood Policy**, http://ec.europa.eu/world/enp/pdf/action_plans/egypt_enp_ap_final_en.pdf (02.06.2012), p. 1.

¹⁵⁸ European Commission, pp. 1-2.

¹⁵⁹ European Commission, p. 4.

cooperation on the fields of youth, sports, culture and audio-visual contacts represent other objectives of the Action plan that must be achieved in Egypt.¹⁶⁰

4. European Neighborhood Policy (ENP) and European Neighborhood Partnership Instrument (ENPI)

In its attempts to promote democracy in MENA, EU that has always paid a special attention to its own security, stability, and security, as a powerful political and economic organization, after its 2004 enlargement created its European Neighborhood Policy (ENP). The purpose of this policy was to guarantee its own security by taking precautions to the threats in its neighborhood. Under the ENP, the EU has aimed to increase cohesion in its neighborhood and to reduce divisions among its neighboring countries in order to sustain its own security. The ENP formed a basis for mutual privileged relations that were based on common values, rule of law, democracy, human rights, liberal economy principles, and gradual development principles. Under the ENP, the EU prepares Country Strategy Papers in which there are planned objectives, aims, and strategies of the Union toward its neighboring countries.

Moreover, under framework of the ENP, in an attempt to manage the Union's relations with countries in the MENA region, the European Neighborhood Partnership Instrument (ENPI) was established. The ENPI has merged two former instruments namely the Mediterranean-European Development Agreement (MEDA) and Technical Aid to the Commonwealth of Independent State (TACIS). Under the ENP, the ENPI had some strategic objectives such as acceleration of democratic transition of neighboring countries, improvement of human rights, promotion of cooperation on anti-terrorism to prevent proliferation of mass destruction weapons in neighboring countries, and promotion of liberal market principles and respect for the international law.

Similar to the US, the EU also provides several foreign assistance programs to facilitate democratic transition process of countries in the MENA region, including Egypt. Under the ENPI, the EU determines and prepares its foreign

¹⁶⁰ European Commission, pp. 4-5.

assistances for its neighbors by using its National Indicative Program (NIP). In this context, for example, the European Commission has prepared the NIP 2007-2010 for Egypt which highlighted enhancement of implementation of the EU-Egypt Action Plan, promotion and improvement of natural resources, human management, and sustainable development, and promotion of reforms about democracy, human rights, and justice in the country.¹⁶¹ Therefore, under the NIP 2007-2010, the EU Commissioner Ferrero-Waldner has signed an agreement with the Egyptian Minister of International Cooperation Abounaga for €558 million for Egypt. €13 million of this amount was received for the Program of Political Development, Decentralization, and Good Governance in Egypt in 2008.¹⁶²

The EU has also created a new program, Support for Partnership, Reform and Inclusive Growth (SPRING), in order to support Arab Spring in the MENA region. Under the SPRING, the EU has proposed €350 million foreign assistance in order to support democratic transition, institutional building, and economic growth in countries that have been going through the Arab Spring for 2011-2012.¹⁶³ Moreover, the EU has formed the Neighborhood Civil Society Facility Program which aims to promote public accountability, to improve democratization reforms, and to strengthen functional capacity of civil society organizations in the countries that have been experiencing the Arab Spring, including Egypt, with €22 million foreign assistance for 2012 and 2013.¹⁶⁴ In addition to this, together with the European Bank for Reconstruction and Development (EBRD), the EU plans to disburse €2.5 billion foreign assistance to promote democratic transition in the MENA countries, starting with Egypt, for 2013.¹⁶⁵

¹⁶¹ European Union, “EU-Egypt: Commissioner Ferrero-Waldner and Egyptian Minister of International Cooperation Abounaga sign €558 million assistance package”, **Press Releases Rapid**, 06.03.2008, (Package),

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/394&format=HTML&aged=0&language=EN&guiLanguage=en>, (01.06.2012).

¹⁶² European Union, “EU response to the Arab Spring: new package of support for North Africa and Middle East”, **Press Release**, 27.09.2011, (SPRING)

¹⁶³ European Union, Package.

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/1083&type=HTML>, (02.06.2012).

¹⁶⁴ European Union, Spring.

¹⁶⁵ Ralitsa Kovacheva, “Barroso: The EU Remains the Largest Donor to Its Eastern and Southern Neighbourhood”, 27.05.2011, **Euinside**, <http://www.euinside.eu/en/news/barroso-eu-remains-the-largest-donor-to-its-eastern-and-southern-neighbourhood>, (01.06.2012).

In sum, it can be noted that the European efforts to promote political liberalization and democratization in Egypt through its large amount of foreign assistance disbursements, its policy instruments such as EMP, ENP, ENPI, NIP, SPRING, as well as EU-Egypt Action Plan and EU-Egypt Association Agreement seem to have a considerable impact on political transition process in Egypt.

Conclusion

Both actors, the US and the EU have initiated numerous efforts under the name of democracy promotion policies for Egypt's political transition since the 1970s. The US provides its foreign assistance through the USAID which has an Office of Democracy in Egypt. USAID follows two methods in its democracy promotion activities in Egypt, namely the bilateral agreements which are managed between the US government and the government of Egypt, and direct grants programs which are administered between the US government and the Egyptian NGOs. Moreover, under the MEPI, the US government supported the achievement of Egypt's reform-related activities through the USAID Cash Transfer Program. USAID also prepares the Strategic Plans for fiscal years in which Democracy and Governance Objective includes serious political reform activities in the country. BMENA is also one of the important projects of the US government to support democratic reform activities in the MENA region, including Egypt. Furthermore, the US-led International Financial Institutions, such as the IMF and the World Bank can also be examined in the context of American policies to support democratic reforms in Egypt.

Similarly, the EU has also important policy instruments which are influential in political liberalization process of Egypt. Under EMP, the EU aims to support activities for political, economic, and cultural reforms in the MENA country in general, and in Egypt in particular. The EU-Egypt Association Agreement also serves as a bilateral agreement for political liberalization reforms between the EU and the government of Egypt. Moreover, EU-Egypt Action Plan contributes Egypt's transition process by listing priorities of an action related with political and economic reforms. Under the ENP, the EU also uses the ENPI to achieve some political reform

projects in its neighboring countries. Currently, concerning the objectives targeted in policy instruments and agreements of these actors, their impact seems to have a impact on the political transition process in Egypt. Furthermore, largest amount of foreign assistances are allocated for Egypt's economic and political reforms during its political transition.

CHAPTER 4

PARADOXICAL IMPACTS OF EXTERNAL ACTORS ON POLITICAL (DE) LIBERALIZATION IN EGYPT

As analyzed in depth in the previous chapter through the aid programs, bilateral agreements, direct grant programs, partnership initiatives, international financial institutions, association agreements, action plans, neighborhood policies applied by the USA and the EU, both external actors seem to be working very hard to promote political liberalization and democratization in the MENA region in general and in Egypt in particular. However, despite this passionate looking struggle to bring political liberalization to the region and in particular to Egypt, both actors were not really successful. On the contrary rather than promoting political liberalization in the region, they even hindered this process. As already explained in the abstract, introduction and the theoretical framework, this research is looking for answer to this question. Why do the USA and the EU despite their seemingly enthusiastic efforts to enhance political liberalization in Egypt do not succeed? Some scholars even ask the question whether these actors sincerely intend to liberalize these countries politically.

In an attempt to find an answer to this question, this chapter will first analyze the reasons that behind the failed policies of both the USA and the EU for political de-liberalization process in Egypt. Accordingly, the first part of the chapter will analyze the reasons behind the failure of the American policies for Egypt's political liberalization in three categories namely, structural problems, priorities and intention of the US government, and the impact of US-led international financial institutions. The reasons for the failure of these policies will be analyzed through structural analyses and rational choice approach. In the second part, the chapter will analyze the reasons behind the failure of the European Union policies in its attempt to liberalize Egypt politically in four categories such as structural problems, conflicting national and foreign policies of the EU's member states, the imbalance of EU's foreign assistance, and the intention of the EU's foreign assistance. Then, this second part will be concluded through an analysis of these reasons for failure with the help of structural analyses and rational choice theory.

I. THE FAILURE OF THE US's POLICIES FOR POLITICAL LIBERALIZATION IN EGYPT

Although the USAID has always been delivering foreign assistances to support political liberalization reforms in Egypt since 1970s, it is quite clear that its assistances and aid failed to overcome Egyptian authoritarian regime in which the president has an overwhelming authority in all levels of political, economic, and social life in Egypt. Despite the \$800 million foreign assistance delivered by USAID for the decentralization projects in Egypt, this aid failed to subdue the deep-rooted centralized political system in Egypt that constrains any kind of political liberalization in the country.¹⁶⁶ There are several reasons behind the failure of US's foreign assistances to promote political liberalization in Egypt.

A. Structural problems:

Structural problems first show themselves in the problematic institutional structure of the USAID. The institutional structure of USAID is inadequate to overcome authoritarian characteristics of Egyptian ruling regime. Authoritarian Egyptian regime hinders the USAID's assistance to achieve reforms in political liberalization process of country. The USAID Egypt Audit Report of 2009 points out the Egyptian president's control over all of the branches of the state's legal, constitutional, and institutional structures as the most important obstacle for political liberalization in the country.¹⁶⁷ Since Hosni Mubarak came to power, his regime carried on the state of emergency law in order to enhance his government's powerful authority against any possible domestic challenges. This was an evidence for the limitless authority of the Egyptian presidency in all levels of political life in Egypt. However, the USAID has never managed to overcome the authoritarian rules and policies of Egyptian regime such as the state of emergency law.

USAID funds aimed at realizing a number of reforms towards political liberalization in Egypt. However, it was not able to complete them totally. For

¹⁶⁶ USAID, Audit, p. 2.

¹⁶⁷ USAID, Audit, p. 2.

instance, the US government by establishing an Egyptian Press Syndicate, planned to train 6000 Egyptian journalists under the civil society program in 2008. However, this project was not completed as a result of the uncooperative nature of the State Information Service. In addition, the Egyptian government continued to put censorship on the publications of the civil society organizations. Along the same line, although the USAID disbursed \$1.2 million foreign assistance to train 600 teachers and 30.000 students in Egypt concerning the issues of democratic governance and political participation, they could only educate 330 teachers and 2000 students.¹⁶⁸ Egyptian government's limitless control over the foreign assistance hindered these aids to reach their original aims. This demonstrates weakness of the USAID to reach achievement of its targeted reforms in Egypt.

Namely, the USAID had delivered the foreign assistances to the authoritarian government of Egypt and the government exploited the funds for their own use and for their corrupted politics. Thus, foreign assistance funds that aimed to liberalize the country politically were used for the enhancement of the authoritarian institutions of the ruling regime in Egypt. As already stated majority of the targeted objectives in the democratization program were not completed. These funds served either for economic objectives or the military ones by the ruling regime in order to strengthen its own survival. In other words, these foreign assistances served for the political de-liberalization process in Egypt rather than promoting the democratization. For this reason, the USAID should provide its foreign assistance funds directly toward newly-developing democratic institutions in Egypt rather than delivering them into the hands of authoritarian individuals or institutions.¹⁶⁹

Another structural problem that was faced concerning the impact of these aids on political liberalization are related to American government's lack of powerful management control mechanism to check the completion or achievement of the targeted reforms in political as well as economic fields during Egypt's political transition process. Although the USAID had a mechanism to take corrective action in the case of the failure of its reforms, it was unaware of the problems in the achievement of targeted activities as it was stated in the USAID/Egypt 2009 Audit

¹⁶⁸ USAID, Audit, p. 13.

¹⁶⁹ Echagüe, p. 5.

Report.¹⁷⁰ The main reason for this problem is US government's lack of an effective control mechanism to serve as an instrument during implementing, monitoring, and assessing process of targeted reforms in Egypt.

The USAID's ineffective control mechanism is also permissive for an unstable atmosphere which is open for management burdens and other potential risks in planning and delivering process of its foreign assistance funds in Egypt. For instance, under lack of an effective control mechanism, wrong planning of democracy promotion funds and wrong funding policies cause the misusing and/or corrupted using of these funds by authoritarian institutions of the Egyptian ruling regime. Thus, this problem hinders the transfer of the aid into the right channels. Rather, these aids are mainly used by the authoritarian government of Egypt for governmental expenditures.

The USAID/Egypt Audit Report pointed out this problem by referring to the misusing of American funds that are targeted for democracy and governance program of 2006. Although the Egyptian Decentralization Initiative which was realized by the USAID under good governance program of 2006 aimed to overcome corruption in public sector, to strengthen local governments, and to reduce waiting-time in public sector, it has failed to overcome the centralized and nationalized tax-collection system in Egypt.¹⁷¹ Consequently, the USAID should develop an effective control mechanism in order to prevent such kind of management burdens and other potential risks in planning and transferring process of democracy promotion assistances for political liberalization in Egypt.

B. The Priorities and Intention of the United States Government

Second reason behind the failure of US's efforts to promote political liberalization in Egypt is related to the US's aim and intention to deliver foreign assistances to Egypt. A large amount of the US's funds which seem to be allocated for the political liberalization in Egypt is spent for military support rather than political reforms. Particularly, President Mubarak played a significant role in the

¹⁷⁰ USAID, Audit, p. 13.

¹⁷¹ USAID, Audit, pp. 11-12.

channeling of these aids to the military in order to create a strong military that would protect his regime from opposition. Also strong military courts would rule the cases in favor of the regime.¹⁷²

While Mubarak channeled this aid to military to strengthen his position, the US government did not refrain from doing the same in order to reach its strategic interests. A militarily developed Egypt was considered as convenient for the US's strategic foreign policy interests and its ambitions to control the region. Consequently, channeling of a large amount of USAID funds to develop Egyptian military institutions caused to negligence of political reforms that were targeted for the country's political transition process. In spite of the failure of the Egyptian government to meet pro-democracy reforms, the Obama administration has released continuation of \$1.3 billion military aid for Egypt annually on March, 2012, by putting forward US's national security requirements about military assistance. This actually represents an evidence for continuing American strategic foreign policy interests for a militarily developed Egypt in the region.¹⁷³

It is not clear whether US gives this aid for social and political reforms that would lead to liberalization in Egypt or to support the power of the authoritarian regime. Therefore, this leads us to the question of the real intention of the American government to deliver aid to Egypt. In other words, the presence of an American mistrust toward the Muslim World in the region brings the crucial question whether the US really wants democratization in Egypt or not. While the Americans are suspicious about the Arab world where there is a strong anti-Western and/or anti-US sentiments, Egyptians are skeptical about the real intentions of the Americans and the credibility of the aid. As pointed out by Durac the mistreatment of the Muslims in American detention centers in Abu Ghraib and Guantanamo have led to a powerful anti-US perception in the Muslim states including Egypt.¹⁷⁴

The societal protests against the 2005 presidential elections (election of the Mubarak government) in Egypt also manifested itself as an anti-American opposition. The Egyptian public during this protest chanted slogans as 'Enough to

¹⁷² Echagüe, p. 5.

¹⁷³ Andrew Quinn, "U.S. Approves Egypt Military Aid Despite Rights Fears", Reuters, 23.03.2012, <http://www.reuters.com/article/2012/03/23/us-egypt-usa-aid-idUSBRE82M0UG20120323> (12.06.2012).

¹⁷⁴ Durac, p. 84.

Mubarak, Enough to Bush, Enough to Blair!’ and ‘We will not be ruled by the CIA!’.¹⁷⁵ These slogans provide a clear evidence for discontent and mistrust of the Egyptian society against the pro-American policies of Mubarak’s government. Similarly in 2004, the Kefaya, the opposition group which means ‘Enough!’ had also met to criticize the ruling regime and its pro-American policies. As Michelle Pace highlights, Kefaya represented an important challenge toward policies of the government of Egypt and the US government.¹⁷⁶

Such opposition movements increased the US suspicions on political liberalization in Egypt. The American government started to question whether a democratization that will establish free and fair elections will bring an anti-American group to the power.¹⁷⁷ In other words, considering the significance of Egypt as an important strategic ally for the US in the region, possibility of an anti-Western and/or anti-US president coming to power in Egypt would be problematic for American strategic interests in the region. As a result while promoting political liberalization in the country; the US government avoided criticizing the Egyptian government’s suppressive policies on the Muslim Brotherhood throughout the 1990s and 2000s. In spite of the multi-party elections that had been taking place since 1970s, political representation of the Muslim Brotherhood in parliamentary elections was very limited. Although the Muslim Brotherhood joined the elections by penetrating into a number of professional associations and syndicates, Egyptian government’s high level of fraud and intimidation together with use of force by state security forces toward opposition under President Mubarak has prevented the Brotherhood to win elections.¹⁷⁸

There were times when the US exerted pressure on the repressive policies of the Mubarak government. However, these pressures were temporary and they could be reversed in a short period of time. For example, in January 2005, the US government reacted to Egyptian regime’s decision for detention of Ayman Nour who

¹⁷⁵ Dan Murphy, “New Arab Rallying Cry: ‘Enough’”, **The Christian Science Monitor**, 31.03.2005, <http://www.csmonitor.com/2005/0331/p01s04-wome.html>, (01.06.2012).

¹⁷⁶ Erin A. Snider and David M. Faris, “The Arab Spring: U.S. Democracy Promotion in Egypt”, **Middle East Policy**, Vol: 18, No: 3, 2011, p. 55.

¹⁷⁷ Jeffrey Kopstein, “The Transatlantic Divide over Democracy Promotion”, **The Washington Quarterly**, Vol: 29, No: 2, 2006, p. 89.

¹⁷⁸ Meital, p. 275.

was the leader of secular al-Ghad Party. Nour was the first candidate to ever compete with Mubarak during 2005 presidential elections. However, Mubarak regime put him in prison under the charges of forgery. US criticized Mubarak's regime's suppression of the opposition to his regime and himself. Nevertheless, American critics of Mubarak regime did not go far from a symbolic condemnation. As a reaction, the US Secretary of State Condoleezza Rice decided to reduce her visits to Egypt and abolish meetings on free trade between the US and Egypt in order to protest Ayman Nour's mistreatment.¹⁷⁹ However, in a short time, the US government resumed its visits and the relations between the countries continued as usual.

Another reaction from the US government came as a response to the Egyptian government's restriction of some of the NGOs' activities.¹⁸⁰ However, efforts of the US to remove restrictive lawsuits did not work since Egyptian government continued to control the NGOs activities. As already explained the US interestingly enough has never implied any sanction on fraudulent nature of Egyptian elections that had prevented the possible victories of the opposition groups such as the Muslim Brotherhood in Egypt. Accordingly, the purpose of the US to promote full political liberalization and democratization in Egypt is questionable. US government seems to care more about its national strategic interests rather than political liberalization in Egypt. Consequently, such a double standard policy of the US promoted more political de-liberalization rather than liberalization in the country.

Consequently, it must be noted that skeptical American foreign policy concerning a possible political victory of an anti-US Islamic government, such as the Muslim Brotherhood, shaped the US's strategic intentions in favor of political de-liberalization in Egypt. As Sara Khorshid, an Egyptian journalist, states if democratization in Egypt refers to an independent Middle Eastern country in which formulation of its national policy interests are based on majority of its own population, US's conceptualization of democratization cannot represent the real meaning of democratization concept, in this point.¹⁸¹ Rather, US's conceptualization

¹⁷⁹ Durac, p. 83.

¹⁸⁰ Echagüe, p. 2.

¹⁸¹ Sara Khorshid, "Does US want Democratic Egypt?", **Onislam**, 16.06.2012, <http://www.onislam.net/english/politics/transnational/457592-does-us-want-democratic-egypt.html> , (14.07.2012).

of democratization represents a political transformation process in a country like Egypt, only under its own leadership.¹⁸²

C. The Impact of US-led International Financial Institutions

The third reason behind the failure of American foreign policy for democracy promotion in Egypt can be explained in the context of the impact of the US-led international financial institutions namely IMF and the World Bank on political de-liberalization in Egypt. Impact of these international financial institutions on political liberalization process in a country can be examined by their conditionality in which a number of necessary rules for reforms in both political and economic terms, are imposed in return for their loans made to the governments of recipient countries.

While the IMF manages its conditionality with its recipient countries under the title of Standby Agreements, the World Bank also implement its conditionality for its recipient countries under its Structural Adjustment Programs. Conditionality rules of these international financial institutions include very serious reforms that recipient countries have to implement in their domestic politics. For instance, privatization of state assets, reduction of governmental expenditures with some strict austerity programs, stoppage of increases on government officers' wages, reforms for more liberal tax system, and promotion of sustainable free-market policies in the economy are some examples of these conditions.

Egypt is one of the most significant recipients of these international financial institutions. Through conditionality policies of these institutions, Egypt had followed some privatization policies throughout the 1990s. However, these policies had not improved the country's export and import balances.¹⁸³ Authoritarian government of Egypt did not permit a full liberalization. Liberalization in trade requires removal of state-led economy and the state-owned enterprises. Nevertheless, the Egyptian government's overwhelming authority that spread over all spheres of the economic and political life of the country had hindered the implementation of a full

¹⁸² By the time this thesis was being written, in the aftermath of the Arab Spring general elctions have taken place in Egypt and the candidate of the Muslim Brotherhood. Mohammed Morsi was elected in June 2012.

¹⁸³ Karen Pfeifer, "How Tunisia, Morocco, Jordan, and even Egypt became IMF 'Success Stories' in the 1990s", **Middle East Report**, No: 210, 1999, p. 24.

liberalization in economy. Mubarak government never reduced the governmental expenses, particularly the ones spent for the bureaucracy. In addition, corruption in the government had hindered the benefits the country would get from foreign funds. Thus, the funds that were given for the economic and political liberalization reforms were plundered by government officials. As a result, Egypt has experienced tight foreign exchange, high level of liquid cash crisis, and low levels of living standards for the public at that time.¹⁸⁴ Concerning these low economic conditions as well as the domestic political tensions under President Mubarak, it is clear that these international financial institutions did not seriously impose their conditionality rules on the government of Egypt which caused to a negative impact on political liberalization in Egypt.

More recently, Egyptian government announced country's fiscal plan for 2012-2013 to sign an agreement with the IMF for receiving a loan at a serious amount about \$3.2 billion.¹⁸⁵ More importantly, Christine Lagarde, IMF Managing Director, called attention to ill conditioned Egyptian economy by emphasizing that IMF loan about \$3.2 billion which Egyptian government requested, cannot be enough to fill country's financial deficit and thus, Egypt should also look for additional resources from external donor countries.¹⁸⁶ However, immediately after that announcement, talks were started between IMF and Egypt for \$3.2 billion loans in 2012, despite country's deadlocked position for pro-democratic reforms.¹⁸⁷ Furthermore, \$4.5 billion loans were proposed and reserved by the World Bank for Egypt's 2012-2013 fiscal years under the name of promotion of its Arab Spring term.¹⁸⁸ These loans did not work to overcome authoritarian institutions of the Egyptian regime or low level of economic conditions of the country until today.

Under the newly-elected government of Egypt with Islamist president of Mohammad Morsi, future will show us the capacity of these loans received from the

¹⁸⁴ Ivanier, p. 82.

¹⁸⁵ Liam Stack, "Pressed By Unrest and Money Woes, Egypt Accepts I.M.F. Loan", The New York Times, 19.02.2012, <http://www.nytimes.com/2012/02/20/world/middleeast/egypt-announces-imf-loan.html> (10.07.2012).

¹⁸⁶ Lesley Wroughton and Neil Stempleman, "Lagarde: IMF Loan For Egypt Won't Be Enough", Reuters, 19.04.2012, <http://www.reuters.com/article/2012/04/19/us-imf-lagarde-egypt-idUSBRE83116M20120419> (01.06.2012).

¹⁸⁷ Talley.

¹⁸⁸ Rajab.

IMF and the World Bank, to contribute political liberalization in Egypt. However, it can be said that loans that were received from the international financial institutions with aim of achieving political and economic liberalization reforms in the country, have never been successful in promoting economic liberalization reforms or in overcoming authoritarian institutions of former Egyptian governments in the past.

In sum, the US's democracy promotion policies in Egypt have not been successful. Rather than promoting democratic reforms and institutions, policies of the US have actually contributed to the political de-liberalization process in Egypt. Although many Latin American, East Asian, and almost all of Eastern European countries had benefited from democracy promotion policies of the US during the third wave of democratization, Egypt has not taken its share from this process. This situation actually makes US's policies for democracy promotion in Egypt questionable.

Although the US has initiated a number of serious efforts under the name of democracy promotion in Egypt's political liberalization process, it did not take any measure to overcome problems and/or deficiencies in these policies. Consequently, this paradoxical condition of the American democracy promotion policies in Egypt can be explained by two approaches of comparative politics which are the structural analysis and the rational choice theory. According to structural analysis, structures shape the political outcomes. From this perspective, structural problems in the complex institutional structure of the USAID are the main reason behind the paradoxical/problematic outcomes of the American democracy promotion policies in Egypt. Moreover, authoritarian structure of the Egyptian government also contributed to this failure.

Rational choice theory argues that the actors shape the political outcome through their own choices. According to rational choice theory, among two sets of alternatives the actors choose the one that would maximize his interests. In the Egyptian case, among two sets of alternatives –which are promotion of political liberalization in Egypt (that could bring an anti-American government to power) and the protection of energy and security interests of the US, the US government preferred the second choice. Rather than promoting political liberalization and democratization that could bring anti-American Islamists to power, the US

government preferred to work with the pro-American Mubarak government that would protect his economic and security interests. The US would not want to lose the Egyptian support in the region. Strengthening of the opposition in Egypt would create threat for dominance and prestige of the American foreign policy in Egypt.

Therefore, under a rational choice consideration of these possibilities, rather than to promote political liberalization, the US has preferred to maximize its strategic foreign policy interests in security and energy terms during political transition process in Egypt. Consequently, as an external actor, that rational choice of the US has made its democracy promotion policies paradoxical for Egypt that caused politically de-liberalization of the country.

II. THE FAILURE OF THE EU'S POLICIES FOR POLITICAL LIBERALIZATION IN EGYPT

Similar to the US' efforts, the EU's efforts toward political liberalization and democratization in Egypt have always been questioned. The EU's democracy promotion in Egypt did not work during the rule of authoritarian Mubarak regime as could be seen with the ongoing human rights violations, fraud in elections, laws concerning censor on media, and the suppression of opposition groups. Several factors contribute to the failure of EU's democracy promotion in Egypt.

A. Structural Problems of the EU

First factor that affects the failure of the EU's democracy promotion in Egypt is related to the institutional structure of the Union. Lack of cohesion between the institutions of the EU has always been criticized and questioned as an important obstacle for the Union to reach any policy decision and particularly foreign policy decisions. In the case of democracy promotion in Egypt, this lack of cooperation among the institutions of the EU plays a significant role in this failure.¹⁸⁹

¹⁸⁹ Michelle Pace, "Paradoxes and Contradictions in EU Democracy Promotion in the Mediterranean: The Limits of EU Normative Power", *Democratization*, Vol: 16, No: 1, 2009, p. 40.

When EU members do not cooperate in their decision-making, they end up reaching to inconsistent and incoherent policies concerning their democracy promotion. In this context, Durac argues that the inconsistency and incoherence in external actors' policies and institutions for political liberalization of the MENA region have a negative impact on distribution of political power in Egypt's political liberalization process.¹⁹⁰

Snider and Faris argue that only through decentralization the democracy promotion policies would work.¹⁹¹ However, in the Egyptian case the ruling regime supports the highest level of centralization of political power under the limitless control of Egyptian presidency. Furthermore, civil society organizations have a limited functional capacity that is controlled by the Egyptian ruling regime. Parliamentary elections, despite the existence of multi-party system also go through a high level of fraud and intimidation in favor of the ruling government NDP. Although the amendment of the Article 76 provided an area for multi-candidate presidential elections with a secret ballot system, presidential elections still serve for the favor of the incumbent president.

Religious opposition groups such as the Muslim Brotherhood had never had the chance to be represented in the elections (until the Arab Spring). Furthermore, the Article 77 that allows the president for a limitless re-election right has never been amended. All these examples are strong evidences of centralized political structure of the Egyptian ruling regime at the highest level. This demonstrates inability of the EU's democracy promotion policies under the good governance program to overcome centralized position of the political power in Egypt.

This failure of the European policies can be explained by their problematically inconsistent structure which leads to a permissive area for enhancement of the centralized political power structure of the Egyptian authoritarian regime rather than encouragement of decentralization of political power to the local levels.

Musu explains the complex institutional structure of the EU by referring to four problematic factors about Union's foreign policy instruments which are namely,

¹⁹⁰ Durac, p. 85.

¹⁹¹ Snider and Faris, p. 61.

insufficiency, inadequacy, misusing, and underutilization of EU's foreign policy instruments.¹⁹² According to this classification, insufficient foreign policy instruments hinder the EU to formulate an effective foreign policy toward the MENA region. In the Egyptian case, for instance, ineffective observation mechanism of the Union for achievement of political reforms which were targeted in EU's foreign assistance funds for the country proves insufficiency of the EU's foreign policy instruments. Similarly, inadequate foreign policy instruments limit the EU in achieving its democracy promotion objective in the MENA region. For instance, limited military instruments of the EU reduce it to a secondary role in becoming an influent external actor in political liberalization process of Egypt, after the US.¹⁹³

Misusing of foreign policy instruments of the EU by its member states represent another important problem regarding the Union's complex institutional structure. For instance, wrong planning of distribution of its foreign assistance funds for political liberalization reforms in Egypt creates problems. In other words, as Echagüe emphasizes, although foreign assistance might look enough on the paper, however in practice, the planning of this assistance is what determines its contribution to the political transition.¹⁹⁴ However, EU's complex institutional structure weakens planning process of its foreign assistance for democratic promotion of the MENA. Thus, lack of a correct planning process for distribution of political liberalization funds led to misusing of them by the authoritarian regime in Egypt for enhancement of its repressive policies and institutions.

Finally, deliberate underutilization of foreign policy instruments of the EU by its member states form a problem concerning its complex institutional structure.¹⁹⁵ This problem is related to the unwillingness of the Union's member states to modify their foreign policy priorities in line with a common foreign policy at the EU level. However, EU's inability to overcome diverging foreign policies of its member states and to achieve an effective common foreign policy proves its problematic institutional structure. In the Egyptian case, for example, underutilization of Union's foreign policy instruments by its member states hinders the EU to formulate and to

¹⁹² Musu, p. 104.

¹⁹³ Musu, p. 17.

¹⁹⁴ Echagüe, p. 3.

¹⁹⁵ Musu, p. 104.

implement a rigid sanction that was commonly decided by its member states, against repressive policies of the authoritarian regime in Egypt.

B. Conflicting National Policies of the EU Members

The second reason behind the failure of EU's democracy promotion is related to the conflicting national policy priorities of member states of the EU. There is a lack of cohesion among the member states' foreign policies. Unlike the United States which has a central government that decides about a common foreign policy, the EU is consisted of a number of states that have different priorities in their foreign policies. Each member state of the EU pursues its particular national foreign policy priorities and interests, but most of the time none of them really want to make changes in their national foreign policy choices. They do not always sacrifice their interests to align their foreign policies with the foreign policy of the European Union. As Costanza Musu argues the main enemies of a possible common European foreign policy are the member states of the Union.¹⁹⁶ That situation undermines the creation of a stable common foreign policy in the Union toward the MENA region.

As already mentioned in the previous chapter, in the cases of the US invasion of Iraq in 2003 and the Israeli attack on the Gaza Strip in 2008, the Union's inability to provide a consensus among its member states' foreign policy choices has hindered formulation of a single stable common foreign policy in the Union. For instance, while France criticized Israeli attack on the Gaza Strip, Italy and the Czech Republic accused Hamas for referring to violence and supported the defensive right of the Israeli government. Similarly, while France and Germany criticized the US invasion of Iraq, Britain has supported that invasion.

This lack of cohesion among the foreign policies of the EU member states also had an impact on the Union's failure to achieve its democracy promotion policies in Egyptian political transition process. For instance, many targeted political reforms for democratic promotion in Egypt has been unsuccessful as a result of the lack of cohesion and cooperation between foreign policies of the EU's member states. Furthermore, as Pace claims lack of coherence in Union's policies limits the

¹⁹⁶ Musu, p. 42.

EU in its policy areas where it has a potential normative power to influence.¹⁹⁷ In other words, although the EU has a potential impact in its policy areas such as democracy promotion in Egypt in the MENA region, its lack of coherence in its policies and its weakness in its institutional structure limits the Union to affect the democratic transition in these areas.

Moreover, as Richard Youngs argues lack of cooperation between EU's member states leads to unawareness among the members concerning democracy promotion.¹⁹⁸ Such an unawareness or ignorance causes an obstacle for the assessment of funding assistance by the same member states. For instance, while a large amount of foreign assistance funds of the EU for political liberalization of Egypt is exploited by the Egyptian ruling regime for enhancement its institutions and repressive policies, unawareness or ignorance of the EU's member states prevents them to take a corrective action for stopping this kind of corruption. This situation allows authoritarian regime to misuse the EU's aids and assistances to enhance its repressive institutions rather than promoting democracy in Egypt. Consequently, this problem paradoxically brings the Union's democracy promotion efforts for Egypt to permissive policies for political de-liberalization in the country.

C. Imbalance of the EU's Foreign Assistance

Third reason behind the failure of the EU's democracy promotion efforts in Egypt is the imbalance between its foreign assistances for achievement of economic and political reforms in country. As Youngs points out European assistance in the MENA region actually serves for economic liberalization reforms rather than political liberalization reforms toward democratization.¹⁹⁹ This situation is also valid for Egyptian political liberalization process. Particularly, after the recent uprisings in Tunisia and Egypt, European assistances under the ENP have started to pay

¹⁹⁷Pace, p. 40.

¹⁹⁸ Richard Youngs, "Democracy Promotion: The Case of European Union Strategy", **CEPS Working Document**, No: 167, 2001, (Promotion), <http://www.ceps.eu/book/democracy-promotion-case-european-union-strategy>, (04.06.2012), p. 17.

¹⁹⁹ Youngs, Promotion, p. 37.

considerable attention to market liberalization rather than political reforms. This situation has caused the avoidance of political reforms in favor of the economic ones.

In this context, Jeffrey Kopstein also states that the EU under the ENP has paid more attention to economic liberalization reforms, trade harmonization, energy concerns, immigration problems, and political issues such as security concerns such as counter-terrorism rather than political issues concerning political liberalization in the MENA region.²⁰⁰ Similarly, Durac claims that European funds under the democratic promotion objective in Egypt mainly serve for economic reforms rather than political ones. This situation increases the mistrust towards effectiveness of the European funds for political liberalization in country.²⁰¹

D. Intention of the EU's Foreign Assistance

Fourth factor that explains the failure of the EU's democracy promotion is related to the nature of the EU's real intention in the region. Does the EU really care about the political liberalization or democracy promotion in the region as did in the case of current member states and the candidate states? Or does it only care about the stability of the region so that a stable region will not create any problems for its own security and more immigration? Or does it also care about the economic liberalization of the region that would provide more markets and energy sources to the EU members? The answer to this question seems to be quite obvious since the EU's democracy promotion in Egypt is nowhere comparable to its democracy promotion to the current member states or candidate states such as Croatia or Turkey where EU through its progress reports has been controlling both countries very strictly.

In the Country Strategy Papers (CSPs) and the National Indicative Programmes (NIPs) developed by the European Commission, the aid EU plans to deliver to Egypt is often mentioned as the promotion of 'good governance'. The EU actually defines 'good governance' rather broadly by including support for the democratization process, respect for human rights and fundamental freedoms, and

²⁰⁰ Kopstein, p. 92.

²⁰¹ Durac, p. 86.

respect for the rule of law. However, when it comes to the programming of aid, the EU applies a rather narrow definition. Then it focuses on the effectiveness of public administration and the absence of fraud and corruption.²⁰²

The EU has actually kept its silence towards the authoritarian regimes in North Africa as long as its members had the energy supplies in the region. Although human rights were high on the agenda of the EU, it kept quiet for the human rights violations under Mubarak government in Egypt such as the violence applied by the security forces to the opposition (Muslim Brotherhood) during the 2005 Elections and the unfair judgments of the opposition in the pro-regime courts.²⁰³ However, while the EU has introduced important provisions concerning human rights violations in its agreements with other third countries, this has never been the issue with the MENA countries, such as Egypt.²⁰⁴ For example, in the case of Saad Eddin Ibrahim, a famous civil society activist for human rights and democracy in Egypt, who was imprisoned in 2000 for seven years under the charges of receiving international funding without government's approval, there was no reaction from the EU.²⁰⁵ This was a serious human rights violation issue that was pursued by Mubarak government without any fair trial under the repressive authoritarian institutions of Egyptian ruling government. The EU has never brought conditionality before Egypt. In other words, it did not give him assistance in return for human rights reforms in country. This does not mean that the EU did not support human rights reforms, but the aid was not given for this purpose.

Paradoxical attitude of the EU in the face of human rights violations under Mubarak government in Egypt can be explained by its desire to secure European economic relations with Egypt in particular, and to sustain European energy dependency on Arab oil in the region in general. When Egypt's geo-strategic position in the region and its reputation as 'the big brother of the Arab World' are taken into consideration, EU's silence about Mubarak government's such kind of human rights violations becomes understandable under a European desire to sustain economic relations with Egypt, and, more importantly, to sustain European access to

²⁰² Vicky Reynaert, "Preoccupied with the market: The EU as a Promoter of "Shallow" Democracy in the Mediterranean," **European Foreign Affairs Review**, Vol: 16, December 2011, p. 628.

²⁰³ Meital, p. 275.

²⁰⁴ Durac, p. 84.

²⁰⁵ Durac, p. 86.

the Arab oil in the region. Furthermore, Arab countries, including Egypt, are also aware of that situation of European dependency which makes the EU keep its silence for some repressive characteristics of the Arab authoritarian regimes in the region.

As Pace emphasizes, MENA countries which have already signed the association agreements with the EU believe that their shared interests particularly concerning economy, discourages the Union to take serious measures or sanctions in response to their undemocratic policies and actions that violate the international liberal norms and principles.²⁰⁶ Therefore, despite continued repressive authoritarian policies of Mubarak regime, European assistance under the title of democracy promotion continues without applying any sanctions to the Mubarak regime. Actually by doing so rather than promoting democracy, the EU actually supports the de-liberalization policies of an authoritarian regime. Consequently, the problematic nature of the European assistance which mainly favors its economic and security interests so far had a negative impact on Egypt's political liberalization process.

In sum, the impact of the EU's democracy promotion policies on political liberalization process in Egypt has been negative. In practice, rather than promoting nascent democratic institutions and reforms, the EU's policies are contributing to political de-liberalization in Egypt. While European democracy promotion policies had a positive impact on political liberalization of its member states as well as its candidate states for accession, such contributory impact is not applicable for the Arab countries, including Egypt. Although a number of serious European efforts have been initiated to promote democracy in Egypt, silence of the EU in the face of repressive and undemocratic policies of the Egyptian authoritarian regime proves the cosmetic nature of the EU's democracy promotion policies that serve to continue political de-liberalization in Egypt.

Consequently, this paradoxical condition of the European democracy promotion policies in Egypt can also be explained by two approaches of comparative politics which are the structural analysis approach and the rational choice approach. Concerning the four categories of problems behind the failure of EU's democracy promotion policies in Egypt, the first two of them which are structural problems and

²⁰⁶ Pace, p. 43.

member states' conflicting national policies can be explained by the structural analysis approach. From the structural analysis approach, inconsistent and incoherent institutional structure and policies of the EU is the main reason for paradoxical/problematic outcomes of the European democracy promotion policies in Egypt that cause to political de-liberalization in the country. Particularly, as mentioned by Musu insufficiency, inadequacy, misusing, and underutilization of EU's foreign policy instruments are serious structural problems that create the failure of EU's democracy promotion in Egypt.

The last two categories of problems behind the failure of EU's democracy promotion policies, the imbalance and real intention of the EU's foreign assistances for Egypt's political transition process can be examined by the rational choice approach. Among two sets of alternatives which are promotion of political liberalization and/or protection of Union's economic, security, and energy interests, the EU has made its rational choice by preferring to protect its strategic interests in economy, security, and energy terms during Egypt's political liberalization process. Consequently, as an external actor, rational choice of the EU resulted with avoidance of democracy promotion and turning a blind eye to the human right violations. These policies all led to political deliberalization rather than democratization. For the EU a secure authoritarian neighbor that would create a sustainable market and reliable energy sources was more preferable than an anti-western rule that came through popular elections. Thus, similar with the US, the EU has also used its rational choice to maximize its strategic security and economy interests.

CONCLUSION

This thesis aimed to analyze the impact of external actors, the US and the EU, on political de-liberalization in Egypt. Although many Latin American, East Asian, and almost all of the Eastern European countries have completed their democratic transitions throughout the 1980s and 1990s, the Middle Eastern countries, including Egypt, are still being governed by authoritarian regimes. In spite of the dramatic changes taking place in the region as a result of the Arab Spring, it is still too early to judge the outcomes of these social movements.

Among the Middle Eastern countries, Egypt represents a crucial example as a country that has experienced a number of political fluctuations between political liberalization and de-liberalization since the 1970s. However, despite all these democratic openings in the country, Egyptian governments somehow reversed these actions and moved the country towards political deliberalization. In this context, a number of factors including political culture (including Islam), civil society, political economy, and external actors both have a role in the promotion and the hindrance of the political liberalization in Egypt. Among these factors, this thesis concentrated on the impact of external actors, namely the USA and the EU on the political liberalization process.

When the activities of both actors in the region and in Egypt are examined, they both seemed to be contributing to the political liberalization/democratization process of Egypt through the aid programs, direct grant programs, partnerships, initiatives, associate agreements and international financial institutions. The US attempted to promote political liberalization in Egypt through its policy instruments such as USAID, MEPI, BMENA, as well as bilateral agreements and direct grants programs and US-led international financial institutions (IMF and the World Bank). The EU worked on its democracy promotion in Egypt through its large amount of foreign assistance disbursements, its policy instruments such as EMP, ENP, ENPI, NIP, SPRING, as well as EU-Egypt Action Plan and EU-Egypt Association Agreement.

However, when the final result of all this effort is analyzed the impact of both actors on the political liberalization process of Egypt is negative. Despite all this

effort, both actors actually seem to be reversing the political liberalization process rather than enhancing it. This study examined this puzzle by analyzing the reasons for this failure through structural analyses and rational choice theory.

As the reasons behind this failure for the USA, the thesis concentrated on structural problems that included the structural problems of USAID, authoritarian structure of the Egyptian government, and the American government's lack of powerful management control mechanism to check the achievement of its targets. The second reason concerning US failure was the priorities and intentions of the US government. This section examined whether US government cares about its own economic and strategic interest or the democratization in Egypt. As the last reason concerning the US, the negative impact of US-led international organizations such as the IMF and the World Bank were examined. The rigid economy policies forced by these organizations actually led to more deliberalization policies of the Egyptian government.

As the reasons behind the failure of the EU in its democracy promotion process, as a structural reason, lack of cohesion and cooperation in the decision-making of foreign policies among EU members was taken into consideration. In addition complex institutional structure of the EU by concentrating on four problematic factors (insufficiency, inadequacy, misusing, and underutilization) concerning the EU's foreign policy instruments were also examined. The preference of the EU in directing its foreign assistances was analyzed. The EU preferred to direct its aids and assistances more towards economic reforms rather than political reforms. Along the same line intention of the EU's assistance was to create a secure neighborhood rather than a democratic neighborhood.

The thesis analyzed these reasons for the failure of the USA and the EU's democracy promotion in Egypt with help of structural analyses and rational choice theory. Structural analyses mainly look at how structural factors such as institutions shape political outcomes. They study how the political behavior is conditioned by the structure. In this context, structural problems in the complex institutional structure of the USAID partially caused the failure of the US government's efforts for political liberalization in Egypt. Authoritarian structure of the Egyptian government also contributed to this failure. In the EU's case structural problems mainly showed itself

in the incoherence of the EU's decision-making. Particularly, concerning the foreign policy, the EU members did not have much coherence among themselves. As already stated insufficiency, inadequacy, misusing, and underutilization in their foreign policy caused structural problems in their democracy promotion project.

As defined by Geddes, rational choice approach argues that actors are rational in the sense that they will choose the alternatives that will maximize their chances of accomplishing their purposes. In this context, despite the tremendous-looking effort of the USA and the EU towards political liberalization in Egypt, actually their real intentions were quite different. The US government had two alternatives either to promote political liberalization or democratization in Egypt or to protect its economic and strategic interests. Promoting political liberalization in the country and permitting free fair elections could easily bring a government that would oppose American involvement in the country and the region. This was a possibility that could easily come true in a country where there was a high anti-American sentiment. Interestingly enough in the general elections following the Arab Spring, the candidate of the Muslim Brotherhood (which disliked the US) came to power. Consequently, the US preferred to protect its economic-energy and strategic interests in the region even if that meant to support an authoritarian government. Egypt as the big brother of the Arab world was important for the US and moreover, it was located on the way to its energy sources.

In the case of EU, EU also had two choices: To promote democracy in Egypt and to guarantee a stable (but authoritarian) and economically well-off Egypt that would contribute to the stability of the region. Although the EU seemed to be very strict on democracy promotion through its Copenhagen Criteria for its full members and candidate members, it did not pay the same attention to the neighboring regions. For the EU what mattered was a stable and economically well-off Africa which will provide markets for its members and stop the immigration to Europe. Moreover, the EU also had energy concerns and needed the help of North African countries as its routes to energy sources. Consequently, the EU made its rational choice by preferring to protect its strategic interests, security, and energy routes.

However, dynamics in the MENA region and particularly Egypt are changing very dramatically at the moment. As already stated following the Arab Spring, in the

general elections, the candidate of Muslim Brotherhood Mohammed Morsi has been elected recently. Currently, there is no parliament in Egypt and the military is still trying to be dominant in politics. So at the moment it is not clear whether Egypt is moving towards democratization or not. Moreover, it is not clear how the policies followed by the USA and the EU towards democratization in Egypt will be shaped.

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