

Abdou, Doaa Mohamed Salman; Zaazou, Zeinab Abbas

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Arab Spring future challenges: evidence from Egypt

Doaa Salman Abdou

*Economics Department, Faculty of Management,
Modern Sciences and Arts University, Cairo, Egypt, and*

Zeinab Zaazou

*MIS Department, Faculty of Management,
Modern Sciences and Arts University, Cairo, Egypt*

Abstract

Purpose – This paper aims to shed light on the Egyptian socio-economic and political conditions seven years post the 2011 revolution.

Design/methodology/approach – The authors depended on secondary data and information gathered from scholars and from domestic and international institutions as well. Additionally, the authors distributed 390 Likert-scale questionnaires among respondents to test their perceptions regarding the safety, social, political and economic conditions in Egypt seven years post the 2011 revolution.

Findings – The research findings confirmed that there was an agreement among participants that the safety conditions in Egypt improved during the past seven years post the 2011 revolution, and there was a general agreement among participants that the political conditions in Egypt became more stable lately. The economic and social cost presents a challenging status to the current decision maker.

Practical implications – Finally, authors came up with recommendations aiming to find solutions for certain economic and political problematic issues. The main research limitation is that the representative sample was confined only to the two main governorates in Egypt: Cairo and Giza.

Originality/value – Finally, the study is of a value, as it could be considered a road map to policy makers. Moreover, the findings provide a set of policies for governments to undertake tenable actions to accelerate development and economic growth.

Keywords Arab spring, Revolution, Diverse demographic background,
Socio-economic and political condition

Paper type Research paper

1. Introduction

Since the 1980s, many emerging and developing countries suffered from social and economic inequalities. At any given rate of economic growth achieved, the poverty level increases, unemployment increases, youth become disparate toward their future and families endure low standard of living. All these aspects shape the feeling of dissatisfaction to their past and pushed them to aim for a better future. The dream of changing the era of autocratic regimes that lasted more than 30 years across many Arab countries reflected to give the term Arab Spring that will



carry a bright future. On 17 December, 2010, Tunisian protestors spread in rural areas after a youth protestor set himself on fire hopelessness post authorities' detention. This incident fired the anger across the frustrated youth to protest against antigovernment practices. Consequently, the event spread across social media, and protestors spread from rural to urban areas occupying the streets demanding for justice and a decent life. The majority of protestors from youth are targeting to change government practices; such a need blended with dreams spread to reach Egypt, Yemen, Libya, Bahrain and Syria.

The Tunisian youth up-rise was driven by their hope to achieve a democratic regime that can provide a brighter future; they blazed the winds of change across the rest of Arab countries setting people in streets till their demands are fulfilled. In Egypt, population was ten times the population in Tunisia, where the echo of the up-rise was higher, and people stayed in the streets for a longer period till the regime withdrew from the power. Citizens' demand focused on three basics, namely, bread, freedom and social justice, a dream that pushed people to stay in the streets till the government fulfilled it.

After the outbreak of the revolution, inflation rates in Egypt declined during 2011 as a result of the economic slowdown, the decline in purchasing power and the decline in demand for goods. The inflation rate reached 11.27 per cent in 2011 and fell to 10.5 per cent in 2012 and reached its lowest level in the previous 10 years to 7.12 per cent [Central Bank of Egypt (CBE), 2016]. The decline in the work of many factories and the decline in production and thus the supply of products to the high inflation over the past five years led to increased speculation on the prices of products, especially in light of the fluctuation of the dollar exchange rate, which affects the prices of many basic products, leading to spiral increase in prices. Last year, the country experienced a surge in prices, the heaviest in the past three decades, after economic reforms including the floating of the pound, the application of value-added tax and the doubling of energy prices over the past year and a half. In the following sections, we will assess the impact of Egyptian Arab revolution economically, politically and socially; finally, conclusion and recommendations are provided.

2. Literature review

The transition stage from command to market economy set many Middle East countries to adopt economic reforms, during the 1980s and 1990s, due to many economic imbalances. These reform costs severely affected the lower level income by declining the quality of social services provided and decreasing their purchasing power. Furthermore, the financial crisis and the pace of recession pushed many companies and factories to lay off workers as a result of deteriorating economic activities and rising production costs. Also, the unreasonable pricing threatened the social, political and economic stability. In addition to the dominance of the ruling elite over the business community and deep network with many institution, the fact that facilitated their exploitation to the economic system and the financial sector. Furthermore, the existing of nepotism led to unequal opportunities among citizens and privileges in labor markets were given for certain people. Also, the increasing of corruption, lack of transparency and credibility for many state institutions, especially security, justice and administration, left citizens poorer, and the income gap become wider. Such a case triggered the bullet of revolution across the Arab countries. If government responds to all the current economic and political problems and they handled the citizens' demands spontaneously, then the revolution will never exist.

Gurr (1970) defines revolution as, "highly organized political violence with wide spread general participation, designed to over-throw the regime or dissolve the state and accompanied by extensive violence". The term *revolution* usually means demolition of a regime or social structure of regimes or a great sudden change in social principles. Gurr also

states that men quickly get angry when their social means prove inadequate, but they are slow to accept their limitations. He explains that people uprising if they believe that their problems and reasons of uprising will not be solved except through violence.

The causes of revolution are diverse; first, the government must be weakened by some sort of crisis such as a military or development failure, fiscal distress, sustained inflation or sharp spikes in food prices. The crisis may be ideological as well: when a government seeks to impose an ideology that is widely opposed by its own people, or when a government is seen as compromised by policies and ideologies with foreign enemies. Several of these items may combine to create a widespread sense of uncertainty and anxiety about the future. Goldstone (2013) viewed the causes of revolution which are as follows: when property and power are not widely distributed among individuals of a given society, such as the situation in modern industrial democracies. Social scientists have long debated the factors responsible for revolution, but they did not agree on specific reasons for revolutions. Some relate it to economic factors; others emphasize political reasons. Still, others rely on social determinants. Still, the interstate politics and distribution of power are assumed to play a profound role (Tiruneh, 2014).

3. Overview on the impacts of economic, political and social conditions post the revolution

Abdel Meguid *et al.* (2011) stated that in most countries of the world, inequality is considered as a lead cause for revolutions and unrest. Karl Marx predicted that an economic revolution would occur, due to the unequal distribution of wealth. According to Marx, the upper class has the wealth and power in its hand, and they are the ones who exploit the lower class. This eventually leads to certain problems; foremost among them is poverty and income equality.

Since 2010, all Arab countries, economic growth declined, many industries stopped, business closed and tourism revenue declined. All these factors increased the budget deficit, the incident that forced governments to borrow either internally or externally. In Egypt, the government covered the budget deficit via the international monetary fund (IMF) loan, which pushed the external debt to \$60bn in the first quarter of 2016/2017 and the ratio of domestic debt to public budget increased from 75 to 104 per cent of the gross domestic product (GDP) during the period from 2012 to 2017 (Central Bank of Egypt, 2018). The conditioned loan allows for the devaluation of the Egyptian pound; such a decision pushed prices of food, fuel and raw materials to increase drastically, a situation that increased the cost of living and made life harder. Furthermore, the government increased the value-added taxes and decreased subsidies to be able to finance its deficit.

Arab countries passed through three challenging phases during Arab Spring; the first phase was during the uprising or the anti-autocratic regimes. The second is the political crisis phase where political parties tried to take the power and rule; however, they were secular or Islamic, a situation that reflected the clashes between the police and protestors. Third is the sustainable democratic system that carried reforms to overcome the economic imbalances. The last phase was characterized by low foreign direct investments, low growth rate, a high budget deficit, a high debt rate, high unemployment rate, high poverty rate and low standard of living. In Egypt, the revolution and the internal turmoil dropped the direct domestic investment during 2011 till 2014 from 19.5 to 14 per cent of the GDP, and then it recovered as a result of economic reforms that reached 15.3 per cent by 2017. While the gap between exports and imports increased after the revolution, the Egyptian exports declined \$20bn to \$18.7bn during the years 2000 till 2016, while imports dropped from \$60bn to \$57.4bn during the same period. Also, Egypt's tourism sector suffered from the period of security chaos, and the tourism sector revenue declined from \$11.6bn in 2011 to \$3.8bn in

2017. All these challenges accompanied with high inflation rate that reached 35.25 per cent in July 2017, which was the highest level since the Second World War (CBE, 2017).

Recently, all over the Arab countries, government debt positions, with the exception of Lebanon, are not particularly high by international standards. But the vulnerability comes not from the level of the debt but from the increasing trend that has been seen recently in some of these countries, especially in Egypt and Jordan. In regard to this aggregate, as we saw, virtually all countries experienced deterioration in the aftermath of the crisis, some reaching levels that would certainly be seen as alarming for the future generation.

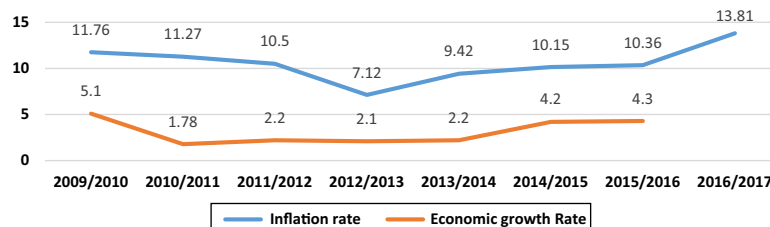
3.1 Impact of the Egyptian Revolution on the economy

Egypt is facing major challenges as the external debt reached \$60bn in the first quarter of 2016/2017 (CBE, 2017). Due to the devaluation of the pound increasing food, fuel and raw material prices causing a rise in the costs of production for businesses leading to public loss of confidence in the government and protests over the government's inability to control inflation. Inflation kept rising to reach more than 13.81 per cent in 2017 (Figure 1). The budget deficit increased as a result of the large increase in government expenses in terms of salaries, support and debt service, while the revenues did not rise to cover the increase in expenditures, and the successive governments resorted to local borrowing to finance this deficit, which led to directing a large part of the resources of the banking sector to finance the government at the expense of financing industrial and commercial activities. Moreover, banks expanded in attracting depositors' to finance the government, the incident that increase the cost of financing debt. The increase in the inflation rate reached its highest level since the Second World War and reached 35.25 per cent in July 2017, and then the government returned to the application of many policies to control inflation a situation that forced pricing on commodities to continue increasing.

The total deficit of the general budget during the fiscal year 2010/2011 increased by 9.8 per cent, an increase of 1.7 per cent compared to the previous year. The deficit reached LE 134.5bn IN 2017 compared to LE 98bn during the fiscal year 2009/2010, while the total budget deficit recorded 10.7 per cent from GDP (Figure 2).

Revenues decreased by 1.1 per cent to LE 265.3bn in 2010/2011, compared to LE 168.1bn during the fiscal year 2009/2010 and increased again in 2011/2012 to reach LE 303.62bn. On the other hand, expenses increased by 9.8 per cent during the fiscal year 2010/2011 to reach LE 402bn compared to LE 366bn during FY 2009/2010 and continued to increase in 2011/2012 to reach LE 471bn, which was reflected in the financial report issued by the Ministry of Finance to increase expenditure in all sections.

According to the central bank annual report, it pointed out that the ratio of domestic debt to public budget instruments to GDP at the end of June 2012 reached 75 per cent, recording



Source: Central Bank of Egypt annual report, different issues

Figure 1.
The inflation and
economic growth in
Egypt during 2010 till
2017

1.155bn pounds, compared to 967.90bn at the end of June 2011, 70.5 per cent of the GDP, recording 967.3bn pounds. The domestic debt service amounted to 104.625m pounds in 2010/2011 and 122.322m pounds in 2011/2012. The report pointed to the increase in the domestic debt is to increase the issuance of treasury bills and bonds as a result of increasing the funding requirements of the state. The external debt ratio decreases to 13.5 per cent and reached \$34.385bn by 1.7 per cent at the end of June 2012 compared to 2011. The external debt service recorded \$3.19bn in 2012, while it was \$3.70bn in 2011 (Figure 3).

According to figures published by the Central Bank of Egypt, the Egyptian foreign debt in June 2017 amounted to \$79bn, and the domestic debt reached 3161bn pounds, i.e. the total Egyptian debt is 4.555tn pounds, 131 per cent of GDP. This means that the share of the citizen Egyptian public and internal public debt figures June 2017 up to about 45,000 Egyptian pounds – the debt figures are large and serious. The domestic debt will reach at least 4tn pounds by the end of the current financial year in June and the external debt (after calculating the cost of the station) will reach \$105bn, equivalent to 1.9tn pounds.

The average share of each household in Egypt will reach about LE 250,000. That the benefits of this debt are worth 590bn pounds, that is, spending on support, health and education combined. Public debt, both external and domestic, has become a burden on economic development as it limits the state's ability to meet its obligations in terms of expenditure on education and health. Interest payments accounted for 26 per cent of expenditure in the 2015/2016 budget. The Ministry of Finance in 2017 raised the value of debt benefits for the year 2016/2017 to reach 292bn pounds, or 28.2 per cent of total expenses.

The revolution and internal turmoil have affected domestic and foreign direct investment. Direct domestic investment in 2009/2010 reached 19.5 per cent of the GDP,

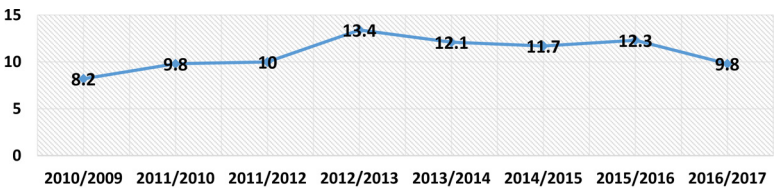


Figure 2.
Egypt actual
government deficit
during 2009/2010 till
2016/2017

Source: Central Bank of Egypt annual report

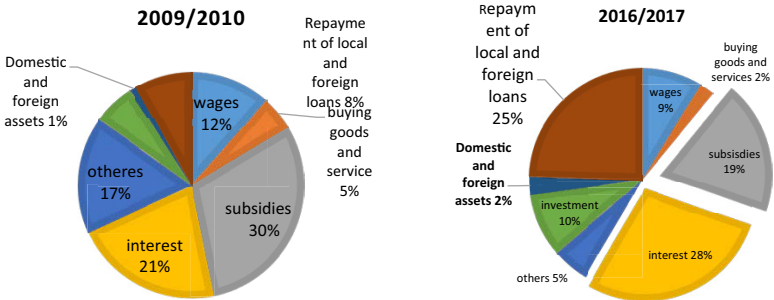


Figure 3.
The Egyptian
Government
expenditure 2009/
2010 and 2016/2017

Source: Central Bank of Egypt annual report

which fell from 17.1 in 2010/2011 to 14 per cent in 2013/2014, and then increased as a result of economic reforms currently carried out by the country to 15.3 per cent. Moreover, the foreign investment was not at its best after the revolution, after foreign investment reached \$6758m in 2009/2010. It witnessed a significant decline, reaching 2011, reaching \$3982m. Government reforms to encourage the investment environment by providing incentives to push forward growth and attempts to prevent the flight of foreign capital to accelerate the pace of growth in foreign investment and foreign investment amounted to 6838m pounds.

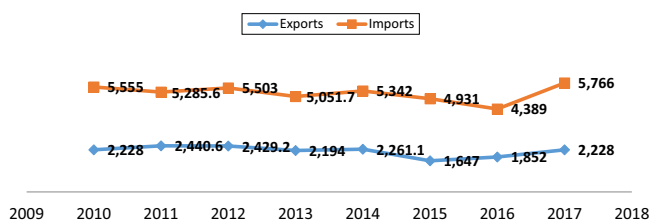
This impact on the balance of payments after the 2009/2010 surplus amounted to \$3.36bn and decreased transactions with the outside world, where the balance of payments deficit amounted to \$9.8bn in 2010/2011 and increased deficit in 2011/2012 and reached \$11.3bn after achieving a surplus in 2014-2015, it reached \$3.7bn and returned a deficit in 2015/2016 to \$2.8bn (Figure 4).

The deficit in the balance of current transactions in the years before and after the revolution led to the deficit of the trade balance. The proceeds of commodity exports decreased to \$23.9bn compared to \$49bn in imports in the year before the revolution (2009/2010), but the gap between exports and imports increased after the revolution (2011/2012) to \$58.7bn compared to \$27bn for exports. Egyptian exports were affected after the decision to float the currency as the price of the pound fell against the dollar, which reduced the Egyptian exports due to increased costs in the elements of production and reached Egyptian exports in 2015/2016 to \$18.7bn, while imports amounted to \$57.4bn. The following is a chart showing Egypt's exports and imports during the previous years.

The January 25 revolution negatively affected the tourism sector in Egypt, where workers suffered the most for eight years due to the period of security chaos experienced by Egypt following the events of the revolution and the bad impression that made tourists feel that Egypt is unstable and insecure (Figure 5). The revenue of tourism in 2009/2010 was \$11.6bn which is approximately 5.3 per cent of GDP while after the revolution it decline to \$9.4m in 2011/2012 after the terrorist incidents and security instability. In addition to huge decline after the incident of the Russian plane hit, the tourist revenues recorded the lowest during the past 10 years to \$3.8bn in 2015/2016.

3.2 Impact of the Egyptian Revolution on the political environment

On the political level, the threat came from the terrorism incident that led to eroding potential investments in the country. Egypt's security environment is now characterized by instability and acute terrorist attacks as well as regular clashes between military forces and Islamist militants in the Sinai Peninsula. The rise of the inflation rate and weak currency, combined with the introduction of value-added taxes, has also placed pressure on consumers. Tourism has represented a driving force for Egypt's economy for years but has faced difficulties since the Arab Spring causing more challenges for the Egyptian economy.



Source: Central Bank of Egypt annual report

Figure 4.
Egyptian exports and
imports during
2010-2017 in millions
of dollars

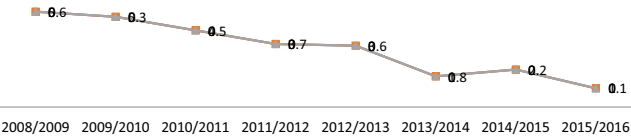
Unfortunately, tourists are regular targets of terrorist attacks, alongside military personnel and government officials.

Egypt has suffered from the weakness of real political participation for many decades, where Egyptian President Mohamed Hosni Mubarak ruled Egypt since 1981. After revolution, the people were keen to elect the first civilian president in a fair election for the first time in the history of Egypt, but the people were frustrated when the choice was limited to the candidates only. The participation rates did not change much in the presidential elections of 2014. However, political life did not develop much in Egypt. The citizen did not feel the freedom to express his opinion or practice democracy as expected after the revolution of 25 January, which was one of the reasons for the deterioration of political life. In the democracy index of what it was before the revolution was ranked 138 in 2010 and then reached 109 in 2012, the lowest ranking reached in the years after the revolution until the democratic life deteriorated again and reached 130 in 2017 out of 167 countries (Figure 6).

3.3 Impact of the Egyptian revolution on the social environment

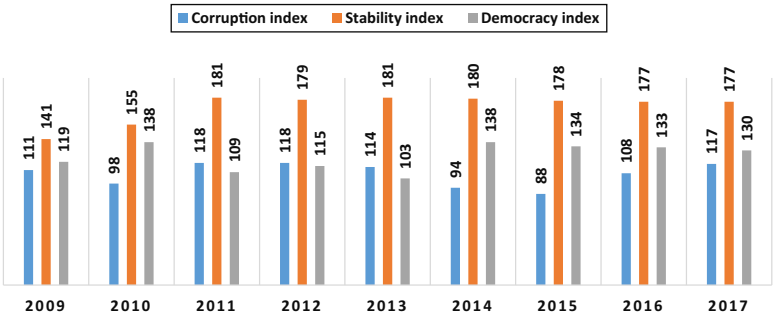
The revolution successes to change decision makers but did not achieve these goals. Successive governments neglected the poor citizen, but increased the burden, especially after the floating of the pound, which led to unprecedented price increases and the value of the entry the percentage of citizens living below the poverty line, reached 27 per cent from the total population (WB, 2017). After the floating of the pound in November 2016 and the loss of about half of its value will double the minimum line of poverty and will approach 1,000 pounds, and with the acceptance of the conditions of the IMF has increased fuel prices twice and is likely to rise again by June 2018 and thus will raise subsidies on fuel for a final electricity prices.

Figure 5.
Participation % of the
tourism return form
GDP during 2008/
2009 till 2015/2016



Source: Central Bank of Egypt annual report

Figure 6.
Democracy, political
stability and
corruption indices
during 2009 till 2017



Source: World Bank indicator

The post-revolution years are the result of many companies and factories that lay off workers as a result of deteriorating economic activity and rising production costs. The unemployment rate reached 13.4 per cent in 2013, but with the government reforming, the unemployment rate fell to 11.9 per cent by the end of 2017 (Figure 7).

The citizens are still searching for security and safety in the streets after the anger of the people and the storming of some of the police stations. The situation which has led to the instability of the security in the country and with the emergence of terrorist movements also affected the stability of security in the country. In the year 2011, Egypt reached the rank of 47 according to the global terrorism index, and this is one of the best ranks reached by Egypt in the past eight years due to the deterioration of security life because of the emergence of armed terrorist groups (WB, 2017).

Soon after the 2011 revolution, the Government of Egypt (GOE) started to apply key reforms through reducing energy subsidies, introducing new taxes, increasing electricity tariffs, increasing the prices of fuel products and working on the civil service reform. In addition, the large Gulf Cooperation Council inflows in the fiscal year 2014 and the significant monetary financing of deficits provided some relief from further debt accumulation as well. These financial inflows partially supported the Egyptian economy and helped the country to meet its energy and food needs. Additionally, few incidents boosted Egypt's international image during the year 2015, which were the major gas discovery in Egyptian waters, the opening of the New Suez Canal after just one year of work.

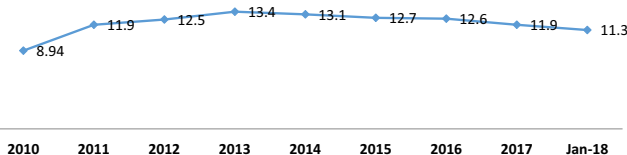
The Central Bank of Egypt (CBE) embraced in 2015 a policy which allowed a more flexible exchange rate to improve the availability of foreign exchange, strengthen competitiveness and support exports. As a result, lower inflation projected for financial year (FY 16). Going forward, Egypt needs to meet the demand for foreign currency; it did indeed as the national reserves of foreign currency reached \$36bn by the end of July 2017. On real basis, this does not mean that the Egyptian economy has overcome the vulnerability stage; it still remains vulnerable to many political and economic risks. Regional conflicts and deterioration in domestic security could affect investor confidence and tourism sector in the country tremendously. This means that further structural reforms are needed to decrease fiscal and debt levels and to boost the economic growth of Egypt. The GOE started in 2014 to implement two economic stimuli to reach an increase of 3 per cent of GDP. These stimuli are mainly focused on investment spending that includes planned mega projects that include substantial public-sector wage and pension increases for mostly the middle-income earners.

4. Research methodology

There is a gap in literature to assess the consequences of revolution economically, socially and politically. We applied a primary research methodology based on survey.

4.1 Sample size, type and demographics

The researchers conducted a total of 390 questionnaires; they used the random sampling technique and approached participants from different genders (males, 60.5 per cent; females,



Source: Central Banks of Egypt 2018

Figure 7.
Total unemployment
rate in Egypt during
the period
2010 till 2018

39.5 per cent). As for the age groups (31 till 40 accounted for 39.5 per cent; age category 21 till 30 which accounted for 32.3 per cent; age category 41 and more, which accounted for (20.3 per cent), and finally the age category less than 20 that accounted for 7.9 per cent). As for the occupation, most of the respondents are working in the private sector, which accounted for 40 per cent; workers which accounted for 21 per cent; the professional career which accounted for 20.8 per cent. The academic staff and the public administrators accounted for 13.1 and 5.1 per cent, respectively.

Regarding the educational level, most of the respondents are university graduates which accounted for (43.6 per cent); post graduates, which accounted for (23.1 per cent), then primary school, which accounted for (20 per cent), and finally secondary school, which accounted for (13.3 per cent). The income level, the income category (3000 – less than 4000) accounted for (36.1 per cent), then Income category (500 – less than 1500), that accounted for (25.6 per cent), then income category (1500 – less than 3000) and that accounted for (19.5 per cent). Finally, the income category (more than 4000), (less than 500 EGP), that accounted for (15.6 per cent), (2.6 per cent). The variable economic and social level, the average level counted for (38.2 per cent), the low level counted for (34.6 per cent) and finally the high level counted for (27.2 per cent).

4.2 Research objectives

- studying the current socio-economic and political situation seven years post the 2011 revolution in respect to the data and information gathered from the field study;
- investigating the perception of participants from different demographics regarding the economic, social and political situation in Egypt now; and
- analyzing the respondents' answers and trying to come up with adequate conclusion and recommendations enriching the purpose of the study.

4.3 Statistical analysis

The researchers used the SPSS (version 20) for data coding, verification and analyzing quantitative data. Data verification is done by making frequency tables and ensuring that the data were entered correctly. The questionnaire was designed according to the Likert scale format and throughout this research; the mean, frequency and percentage were calculated through the descriptive analysis using several types of tests. These tests included the arithmetic mean, standard deviation and coefficient of variation as well as ANOVA (F test), to find the significant differences between the more two groups represented of the economic and social level. The statistics proved that there is a significant difference for the situation in Egypt after seven years of the revolution of January 2011 related to the (economic and social level).

Pearson correlation relationship was used to study the relationship between the four dimensions to find out the strength and direction of each of the dimensions: security, economic, social and political situation in Egypt after seven years of the revolution of January 2011. To check the reliability, the coefficient "Alpha's Cronbach" is used to test the stability of the variables for the total dimensions of "Investigating Egyptian citizen's opinions after seven years since the 2011 Revolution". The stability of coefficient for the total sample is (0.839) which indicates high degree of validity for the study sample, which was reflected also by its coefficient that is equal (0.915). For the dimensions (Safety Conditions), the reliability coefficient is (0.818), for the dimensions (Political Conditions), the reliability coefficient is (0.832), for the dimensions (Social Conditions), the reliability

coefficient is (0.786); finally, for the dimensions (Economic Condition), the reliability coefficient is (0.825). The researchers used the p -value as the main figure to test the relationship between the dependent and independent variables. The p -value is used as alternative to rejection point to provide the smallest level of significance at which the null hypothesis will be rejected. If the p -value is less than 0.05, then there is a significant relationship between the variables.

4.4 Research questions

The researchers distributed 390 questionnaires in Likert scale format regarding the safety conditions, the political conditions, social conditions and economic conditions.

4.5 Research results

4.5.1 Safety conditions in Egypt post the 2011 revolution. Around 75.61 per cent of participants agreed that (Only the elite areas in Egypt are enjoying a safety environment), 74.24 per cent confirmed that (The safety laws and legislations in Egypt need adjustments and alterations), 63.59 per cent of participants stated that (The Police and Army cooperate together to protect the Public Entities) and 62.55 per cent of respondents believed that (The Egyptian Police is securing the main roads). Whereas 55.44 per cent of participants agreed that: (The percentage of crime and assaults decreased lately), 54.03 per cent of participants believed that (citizens can walk in streets any time safety and freedom) and 53.05 per cent of participants stated (I feel safe walking in the streets).

4.5.2 Political conditions in Egypt seven years post the 2011 revolution. Around 75.85 per cent of participants agreed that (The Egyptian Government succeeded in defeating the Muslim Brotherhood in Egypt), 71.11 per cent of participants believed that (Egypt is still facing many challenges since the beginning of the economic and political reconstruction post the 2011 revolution), 69.96 per cent of participants agreed that (The Egyptian Government is combating terrorism and extremists very well). In total, 64.46 per cent of respondents stated that (The political awareness of the Egyptians increased after the 2011 revolution) and 58.84 per cent of respondents believed that (The Egyptian Government is running the country's external relations now perfectly).

4.5.3 Social conditions in Egypt seven years post the 2011 revolution. Around 56.56 per cent of participants disagreed that (The food is been submitted with fair prices) and 56.46 per cent of participants agreed that (they enjoy diversity and fair prices buying cloth where they live). 63.31 per cent of respondents believed that (The medical equipment's are adequate and good in the public hospitals), 61.54 per cent of them confirmed that (The Egyptian citizen is enjoying the medical care whenever is needed and it is provided easily), 66.48 per cent stated that (The government houses sizes are acceptable and suitable) and 59.34 per cent respondents admitted that (The government houses are being provided to citizens with suitable prices).

Around 54.15 per cent of participants believed that (The developmental and industrial projects in Egypt increased citizens' quality of life), 55.68 per cent of respondents agreed that (The Egyptian government is developing the health care in public hospitals) and 54.82 per cent of respondents believed that (The Egyptian army is cooperating with the government in building houses for citizens with suitable cost).

4.5.4 Economic conditions in Egypt after seven years from the 2011 revolution. Around 84.04 per cent of participants agreed that (The Egyptian citizen is being negatively affected by imposing taxes on foreign commodities), 77.86 per cent of respondents believed that (The Egyptian citizen is being negatively affected by imposing taxes on foreign commodities), 71.63 per cent of participants said that (The Egyptian Government is exerting a big effort to

subsidize bread), 59.56 per cent stated that ('Al Data' project helped in solving the electricity disconnection problem in Egypt), 53.66 per cent respondents agreed that (The discovery of 'Zuhor' gas field will support the Egyptian economy and cause development), 52.33 per cent of participants confirmed that (One of the main goals of the fiscal policy in Egypt now-a-days is currency stability) and 51.13 per cent of the participants stated that (The devaluation of the Egyptian currency helps the economy to revive again).

5. Research results' analysis

There was an agreement among participants that the safety conditions in Egypt improved during the last seven years post the 2011 revolution, and there was a general agreement among participants that the political conditions in Egypt became more stable lately. Noticed, that the research participants were nearly divided regarding the social conditions in Egypt, and obviously it seems to be a controversial matter among Egyptian citizens.

If we have a close look at the social condition statements, we will realize that it was grouped into three groups: the food and cloth, the medical care and the housing. All three groups were granted disapproval from the respondents; especially the food variety and prices following the medical care and equipment's in public hospitals, then the sizes and prices of flats offered by the government to the Egyptian citizens. One of the main causes of the increasing in *food prices* was the government's decision in November 2016 to float the pound – a condition of the IMF loan – after which the currency deteriorated against the dollar. The fund also required Cairo to cut fuel subsidies, with the reforms helping restore investor confidence in Egypt's ailing economy. But the lender stayed clear of demanding cuts to the bread programme, considered by successive Egyptian Governments as crucial for political stability.

The most obvious reason behind Egypt's *urbanization problem* was the lack of low-income and social housing available across the country. The housing ministry decided that 500,000 new homes need to be built every year for five years to keep pace with the expanding population and to finalize the unfilled requests of 3 million housing units. In 2014, the country signed a \$40bn agreement with the UAE's Arabtec to develop 1 million housing units. Although the deal broke down in mid-2015, the government has continued with its pledge to develop the number of units required to meet the current demand. There are concerns that the speed of delivery has been too slow and is not covering the shortage of housing. As a result, Egypt's Government set a new timeline for the completion of public and middle-income housing units, according to a cabinet statement in April. The statement went on to say the government has committed to delivering about 300,000 housing units by the end of 2016. Cairo also plans to deliver about 750,000 housing units by the end of 2018, in addition to 135,000 units for those currently living in informal housing (Fargues, 2010). The state of *health care* in Egypt has in the past become a major cause of social and political discontent among Egyptians. In 2013, Egypt ranked 118th among the 193 member states of the World Health Organization (WHO) and 15th among Arab countries, in life expectancy at birth. It is 117th in hospital beds per capita and faces a severe shortage of intensive care units.

As for the economic conditions, the participants agreed that it improved in Egypt during the past 7 years post the 2011 revolution.

In 2015, the health sector accounted for 5.4 per cent of the total government budget, compared with 12 per cent for education, this is one of the lowest rates in the Middle East and North Africa region. There have been some improvements in aggregate health indicators over the past few decades. However, they mask striking inequalities among Egyptians by gender, income level, education and geographic location (Bayoumi, 2016). This brief

analytical review of the social conditions in Egypt prior and after the 2011 revolution and till these recent days, explains a great deal of the respondents' discontent of Egypt's social conditions.

6. Conclusion

In 2018, Egypt's Government is targeting to increase the economic growth to reach 5.2 per cent a target that can ease the burden and provide more jobs to decrease the unemployment rate to 11 per cent by the end of the year. While in Morocco and Tunisia, it is expected to improve economic growth to range between 3 per cent and 3.7; though in Jordan and Lebanon continue to suffer from the conflict in Syria, which hinders their business environment and affects negatively the domestic consumer's confidence, despite the fact that the continued flow of refugees is draining public finances. Projected growth for these two countries is in the range of between 3 and 3.6 per cent (WB, 2017). Once Arab countries run the engine of growth and the citizens' start to participate economically and politically then the cost of revolution will be covered. After reviewing the cost of the revolution on political, social and economic life, the revolution did not achieve all its objectives, and the governments are still in the process of implementing economic, social and political reforms. But countries such as Libya, Syria and Yemen are still in the first phase – up-rise or the anti-autocratic regimes. On the other hand, Morocco and Algeria did not place themselves in the revolution stage and handled their citizens' needs suddenly.

All Arab Government is working to turn the engine of economic growth; they work to increase production especially after they achieve political stability. The adoption of the economic reforms will enhance the country's competitiveness and help to attract foreign direct investments. The speed in the mapping of investment and distribution of investment opportunities geographically, giving priority to remote areas and most needed will encourage foreign investments in the country and facilitate the procedures and implementation of an integrated plan to improve the investment climate. Government in the revolutionary countries face a new risk that emerged in the financial aspects, reflecting the increasing of the debt rates internally and externally, the incidents the urge for stabilizing these countries' economies and manage the associated risks.

The core drivers based on achieving a balance between the political, economic and social aspects and the success of these transition process is based on initial change of a political elite, applying democratic reforms, avoiding domestic and regional conflicts and building political institution (through: election systems, existence of political parties, existence of civil society institutions and independent judiciary). Such balance requires applying democratic reforms and building political institutions to allow for transparency and accountability, in addition to equal opportunity across citizens. Consequently, changes will pave the road to achieve the economic objectives.

7. Recommendations

After reviewing the cost of the revolution on political, social and economic life, the revolution did not achieve its objectives for which, with the change of governments, the situation is still the same as before, although governments are trying to implement economic, social and political reforms. *The following are some suggestions and recommendations.*

We believe that it is better to allocate the IMF fund on investment projects working on the employment of young people and reduce unemployment rates and raise the standard of living of the individual rather than spending in bridging the budget deficit and the repayment of other loans, which increase the county risk level:

- Work to reduce imports and prevent most imports of products that can be produced locally to promote the local product, taking into account raising the efficiency and quality of local products to meet the needs and will lead to the possibility of exporting these products abroad and thus raise the price of the local currency against the dollar, which will also increase the foreign exchange reserves. It will balance the trade balance and thus generate surplus, and this will affect the balance of payments as a whole positively.
- The speed in the mapping of investment and distribution of investment opportunities geographically, giving priority to remote areas and most needed to encourage foreign investment in the country and facilitate the procedures and implementation of an integrated plan to improve the investment climate, and find a new investment law to meet the aspirations of investors. Increase the freedom of expression and independence of the media, give freedom of association and the right to assemble in the constitution, release political prisoners who have not been convicted in any cases, ensure fair trials of political detainees and maintain the independence of the judiciary and protect them from the pressures of the executive authority.
- Better utilization of the public-private partnership (P.P.P.) model. The P.P.P. model has been successful in other sectors such as power and water.
- Unlocking large plots of land across the country. Inflated land prices have negatively impacted the feasibility of large low-cost housing schemes.
- Tackling the informal economy through micro-finance solutions to improve the accessibility of the social housing fund for some of Egypt's poorest.
- Changing the methods of large housing projects. Contracts are currently being awarded on a build-only basis. More integrated contracts that include infrastructure work such as utilities and roads will improve the synergy between the housing ministry and ministry of transport.
- Ensuring that new developments are built with the necessary basic services and adequate transportation infrastructure to increase living standards and prevent disconnected communities and the emergence of new slums.
- Seeking foreign investors: this model is currently being applied in Bahrain where contractors from China, South Korea and Europe are being invited to serve as investors. Pay attention to poor classes and establish a real support system to ensure that support reaches its beneficiaries, redistribute income and implement the law of minimum and maximum wage and link productivity to achieve social justice. Work out a reform plan for the health care sector, the housing sector and the education sector. Protecting human rights and developing the security services and their independence from power to protect the people and achieve security stability in the country, which will lead to the recovery of tourism and the return of foreign investment in the country.

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Corresponding author

Zeinab Zaazou can be contacted at: zabbas@msa.eun.eg