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Identifying the Repercussions Recent Political Upheavals on the Macroeconomic Policies in Egypt since 2011

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A B S T R A C T

The political incidents that took place in Egypt since the January 2011 revolution had their fair share of negativities on the Egyptian economy. Almost all industries of the Egyptian economy were profoundly thumped by the rising political upheaval and the dismal outlook prevailed during the transitional period. Monetary and fiscal policies stood victimized in a stationary halt, with monetary policy torn between stagnant GDP progress, soaring inflation and depreciating domestic currency relative to the U.S. dollar. On the other hand, fiscal policies were under their substantial share of pressure due to increasing socially-driven spending, weakening public revenues, rising fiscal deficits, dwindling foreign currency reserves, and debt stock. This study aims at highlighting the repercussions of the recent political events upon the fiscal and the monetary sides of the economy as well as identifying how fiscal and monetary policies were managed during the transition period.

KEYWORDS Monetary Policy; Fiscal Policy; Fiscal Deficit; Inflation; Stagnant GDP

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