

POST- JANUARY REVOLUTION EGYPT: IS IT A POTENTIAL LICUS STATE?

A POLITICAL- ECONOMIC PERSPECTIVE

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ABSTRACT

According to the World Development Report 2011, 1.5 billion people worldwide, roughly half of whom earn less than a dollar a day, live in the so-called “fragile states” until recently known in the World Bank as Low-Income Countries Under Stress (LICUS). These Low-Income Countries have attracted increasing attention. Some economists argue that Egypt, a home to almost 90 million people 25% of whom earn less than a dollar per day, is on the way to become a potential LICUS state. This paper addresses one major question: is Egypt a potential LICUS state? The first part of this paper gives a concise background about the major characteristics of LICUS or fragile states.

The second part sheds some light on the level of poverty in Egypt. The third part clarifies with statistics the performance of the Egyptian economy in the post-January revolution era concerning some criteria of the Country policy and Institutional Assessment (CPIA). The fourth part analyses the political reasons behind the deteriorating economic conditions. The fifth part is the conclusion.

KEYWORDS: World Bank Initiatives, LICUS, Fragile States, Good Governance, Economic Effectiveness, Economic Legitimacy, Economic Transition, Political Stability, Extemporary Foreign Policy