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THE IMPACT OF THE NATIONAL REVOLUTIONS ON THE WORLD ECONOMY

Annotation. The main causes and consequences of the February Egyptian Revolution and the Libyan Civil War are considered and compared. Their impact on the world economy is analyzed.

Анотація. Розглянуто і порівняно основні причини та наслідки Лютневої Єгипетської революції і Громадянської війни в Лівії, а також проаналізовано їх вплив на міжнародну економіку.

Аннотация. Рассмотрены и сравнены основные причины и последствия Февральской Египетской революции и Гражданской войны в Ливии, а также проанализировано их влияние на мировую экономику.

Key words: revolution, world economy, protests, to protect people's rights, political censorship.

Revolutions have occurred throughout human history and vary widely in terms of methods, duration and motivating ideology. Any revolution always has its causes. In general, the most common causes include corrupt leaders or a corrupt system that oppresses the people, disparity between the rich and the poor and some others. The results of revolutions involve major changes in culture, economy and socio-political institutions. Moreover, any revolution always has an impact on the world economy. As Ukraine is in unstable political situation now, it is necessary to understand the economic results of the revolutions and rebellions. It is proposed to study the causes and consequences of revolutions analyzing recent events in Egypt and Libya.

Therefore, the aim of the article is the analysis of the impact of the February Revolution in Egypt and the Libyan Civil War on the world economy. To achieve this aim it is necessary to consider the main causes of the revolutions in Egypt and Libya, to investigate the consequences of the Egyptian revolution and the Libyan Civil War, to analyse the impact of the Egyptian revolution and the Libyan Civil War on the world economy.

Before we start analysing the causes of the Egyptian revolution and the Libyan Civil War, let us consider the term "revolution". So, a revolution is a fundamental change in power or organizational structures that takes place in a relatively short period of time [1].

The latest revolutions in Egypt and Libya, which are considered in the article, belong to "The Arab Spring" – a wave of protests and revolutions in Arab countries in late 2010 and early 2011. Protests in Egypt started on Tuesday, January 25, when inspired by the successful revolution in Tunisia – thousands of people began taking to the streets to protest [1]. The main demand of the people of Egypt was to overthrow Mubarak and his

ministers. They also insisted on cancellation of the Emergency Law, freedom, fairness, forming a new non-military government that will take care of the Egyptian people.

The Libyan Civil War is an ongoing armed conflict in the North African state of Libya being fought between forces loyal to Muammar Gaddafi and his regime and those seeking to depose him. The situation began on 15th February 2011 as a series of peaceful protests which were met with military force by the Gaddafi regime [2].

It is necessary to point out that revolutions in Egypt and Libya have the same causes. In general they are as follows: political censorship, corruption, poverty, high unemployment. It is also necessary to mention that social networks played an important role in the process of organization of the Egyptian revolution. The protests were organized by young cyber activists who communicated via Facebook and Twitter. Khaled Said group on Facebook played a great role in organizing the event, calling for the protests, and distributing online leaflets of instructions [1].

Despite common reasons of revolutions, the consequences of these events in both countries are different. For example, the Egyptian revolution lasted 18 days and ended in victory for the revolutionaries. Protesters' actions have made significant advances in the state system of Egypt. The events led to ouster of President Mubarak and Prime Ministers Nazif and Shafik, assumption of power by the Armed Forces, suspension of the Constitution, dissolution of the Parliament, and the NDP, the former ruling party of Egypt and transfer of its assets to the state.

Moreover, the revolution has also had an economic impact. Egypt's economy has lost at least \$3.1 billion as a result of the political crisis in the country. The unrest that began on January 25 led to shuttering of businesses and companies, the closure of banks and the stock exchange and the exodus of thousands of tourists. The bank Credit Agricole also revised its forecast for 2011 GDP growth from 5.3 per cent to 3.7 per cent. The Egyptian pound could fall by as much as 20 per cent relative to the U.S. dollar in the short-term, dragged down by a drop in investments and an increase in capital outflows [3].

As for Libya, on March 5th, 2011 the National Transitional Council, a body formed by anti-Gaddafi rebels, issued a statement declaring they are the sole representative of Libya. It was former justice minister Mustafa Abdel Jalil who issued the statement in a news conference [1]. On the 20th of October 2011 Gaddafi was captured and then killed by NLA fighters.

As it is said in different economic articles, both revolutions have had a huge impact on the world economy. Firstly, the revolution in Egypt immediately questioned the transportation of oil from the Persian Gulf via the Suez Canal to Europe. The Egyptian revolution led to a short-term increase of the oil prices and the costs of international shipping [2]. Secondly, the Libyan Civil War led to the continued rise of the oil and gas prices. A new oil shock is the worst thing that can happen to the western economy, which still has not recovered from the recent crisis and suffers from financial troubles and unemployment. This may cause the next round of global crisis. And finally, high inflation rates may force the European Central Bank to raise basic interest rate, which will limit lending and lead to slowdown of economic growth rates [3].

While analyzing the causes and consequences of revolutions, an interview was conducted to understand Ukrainian people's attitude towards revolutions. 100 people of two age categories (people of 18 – 25 and 25 – 50 years old) participated in the survey. According to the results of the interview 50 % of people agree that a revolution is an effective way to protect people's rights. On the other hand, most of the respondents would not like to participate in revolutions. For example, only 39 % of young people and 34 % of middle-aged people would agree to take part in protests.

In conclusion it should be noted that both revolutions ended in victory for the revolutionaries. The President of Egypt Hosni Mubarak is under trial and the President of Libya Muammar Qaddafi was killed by the protesters. On the other hand, the revolutions have had extermination consequences for these countries and for the world economy as a whole. Egypt's economy has lost at least \$3.1 billion as a result of the political crisis in the country. The Civil War in Libya has provoked the growth of world oil and gas prices that may cause the next round of global crisis. It is also necessary to point out that most Ukrainian people believe that a revolution is an effective way to protect people's rights but they would not take part in them.

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