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Crisis Management During the Arab Spring: Cases of an Egyptian and Two Tunisian Companies

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ABSTRACT

The Arab spring revolutions have converted the Middle-East firms radically in many ways. As the number of deaths increased, the economy of several countries was ripped, regional economic relationships were falling apart and businesses collapsed. The protests affected the politics, security, safety and economy of many countries. The new governments made new regulations which were a challenge for businesses and an opportunity for others to operate. The aim of this study is to investigate the crisis management practices of one Egyptian company and two Tunisian companies during the Arab spring. This investigation has been done by interviewing the three managers of the three companies that were responsible for the practices that were taken in order to face the crises that had an influence on two of the companies and was the reason for closing the third company. In addition to that, the article discusses the Arab spring, the Egyptian pound crisis, the Tunisian dinar crisis and the crisis management literature which might be useful for decision making. Since there have been a number of empirical studies on crisis management recently, the present study aims to contribute to the related literature by using a qualitative methodology, including in-depth interviews with managers. The analysis indicated that crisis management is very vital for a company. In addition, it proved that as much as it is essential and necessary to prepare a plan to adjust to a crisis situation, flexibility is equally important in adjusting to the different circumstances which a company might face.

Keywords: Arab Spring, Crisis Management, Currency Crisis, Economy, Egypt, Tunisia.

Özet

Arap baharı devrimleri, Orta Doğu şirketlerini pek çok yönden radikal bir şekilde değiştirdi. Ölümlerin sayısı arttıkça, birçok ülkenin ekonomisi dağıldı, bölgesel ekonomik ilişkiler dağıldı ve işletmeler çöktü. Protestolar birçok ülkenin siyaset, güvence, güvenlik ve ekonomisini etkiledi. Yeni hükümetler yeni düzenlemeler getirdi ve bu düzenlemeler işletmeler için bir zorluk çıkardı ve başkalarının çalışması için bir fırsat yarattı. Bu çalışmanın amacı, Arap baharından etkilenen bir Mısırlı ve iki Tunuslu şirketinin kriz yönetme uygulamalarını araştırmaktır. Bu araştırma, krizlerle ilgili yapılan uygulamalardan sorumlu olan ve iki şirket üzerinde etkisi olan ve üçüncü şirketin kapatılma sebebi olan bu şirketlerin yöneticiler ile görüşülerek yapıldı. Buna ek olarak, makale Arap baharını, Mısır poundu krizi, Tunus dinarı krizi ve karar vermekte faydalı olabilecek kriz yönetim literatürünü tartışıyor. Son zamanlarda kriz yönetimi üzerine bir takım deneysel çalışmalar yapıldığından, şimdiki çalışma yöneticilerle derinleşmiş görüşmeler dahil olmak üzere, nitel bir metodoloji kullanarak ilgili literatüre katkıda bulunmayı amaçlamaktadır. Analiz kriz yönetimi bir şirket için çok önemli olduğunu göstermektedir.Ayrıca, kriz durumunda uyum sağlamak ve bir plan hazırlamak gerekli olduğu kadar, bir şirketin karşılaşabileceği farklı koşullara uyumakta esneklik göstermek'te aynı derecede önemlidir.

Anahtar Kelimeler: Arap Baharı, Kriz Yönetimi, Döviz Krizi, Ekonomi, Mısır, Tunus.

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Introduction

The Arab spring or the revolutions of the Arab Spring are huge peaceful protest movements that began in some Arab countries during late 2010 and early 2011. The Arab spring phenomenon made a direct impact on several countries including Tunisia, Egypt, Libya, Yemen and Syria. The main causes were corruption, economic stagnation, poor living conditions, political and security restrictions and lack of fair elections in most Arab countries.

The Arab revolutions were a protest against the deteriorating economic and living conditions and the inability of people to secure their livelihood. The Tunisian revolution started on December 2010 and ended when Zine El Abidine Ben Ali left the country and the revolution achieved the main goal. Nine days later, the January 25 revolution broke out in Egypt and caused the resignation of Muhammad Hosni Mubarak from power which he after that was imprisoned and tried for killing demonstrators during the revolution.

All companies operating in any of these five main countries were influenced by the Arab spring. One of the reasons that affected the companies was the currency crisis that occurred due to decreasing or insufficient amount of foreign currency in the central bank to maintain the country's fixed exchange rate. Businesses are threatened by different factors that occur due to abnormal reasons, and in order to have a chance to deal with any difficulty, a company needs to analyze the factors that might affect the business and prepare a plan to deal with each factor. Most companies do not consider having proactive actions, which decrease the chance of turning a threat into an opportunity.

Crisis management helps companies to know what factors might have an impact on the business and how to deal with those factors. Crisis management also helps companies to know the different phases of a crisis and how to deal with every crisis in each phase. Companies which had the skills were able to face the revolutions and some of them had the ability to turn the problems into opportunities. Managers do not know every crisis that might influence the business, which is why companies need to have the right skill to face a crisis even when it was not prepared for. The right reaction is as

important as the proactive actions. The chance to turn the threat into an opportunity is decreased due to the absence of a proactive action but the chance still exists with the right reactions. Also, this study will discuss different approaches and practices in the way that managers in these three companies dealt with the crisis and how it ended, especially when they faced the new rules of new governments.

Previous studies have validated the importance of crisis management in dealing with different situations. Hence, this study aims to highlight the importance of both proactive actions and the flexibility of the manager in charge of reacting to the crisis. A good manager needs to have the ability to take the right actions when faced with a crisis even if a plan was not prepared in advance. The Arab spring was unexpected by many companies which led to the closure of many businesses. The new governments, new regulations and new standards of living were all factors affecting businesses.

This study considers important cases that managers should be aware of and have fully control, as well as it gives managers a way of maintaining capabilities to deal with more critical crises. The study contains multiple case studies and uses in-depth interview technique as a research methodology for data collection. This qualitative study was designed to check for factors that influenced the companies in Egypt and Tunisia. A semi structured interviews were made with three managers of three different cases. Both Cases A and B were analyzed to extrapolate the revolution that happened in Egypt and Tunisia and how it affected the companies, what differences occurred because of the Arab spring, how external factors might influence a business, why crisis management is important and what actions did Company A and B take to face the crises. Company C was analyzed to help understand how the revolution that happened was the reason for ending the life of the factory, the effect of the absence of a crisis management plan, and how would having the wrong strategies to face external factors cause shutting down a business completely.

This study answers questions related to the effect of Arab spring, whether it is on the safety, economy, currency or companies operating in Egypt and Tunisia, the importance of relevant analysis in helping companies react to a crisis, how the absence of crisis management might increase the chances of ending a business and the importance of being flexible in having the right reactions toward a crisis.

Previous studies discussed the effects of Syrian revolution on Turkish companies, how the absence of crisis influenced their companies. Other studies focused on the importance of crisis management in general. Some studies focused on the different effects of Arab spring on various aspects of the country. Adding to those studies through this paper was the several effects of the Arab spring on different countries and how managers who lack the right plans suffered from each crisis.

Crisis Management

1.1 Introduction to Crisis Management

A crisis is a “turning point for better or worse”, it is also “a situation that has reached a critical phase (Merriam-Webster's collegiate dictionary, 2019). This situation is faced by companies in their life cycle as it is faced by human beings in their personal lives. In both cases a plan should be prepared to face those situations.

A crisis could come in different ways. There could be little or a lot of warnings; it could happen anytime or anywhere; could happen to international or national business; and it could be faced by small, medium or large companies (Fink, 1986).

“One characteristic of a crisis that should be mentioned is this: they rarely occur without warning” (Crandall, Parnell, & Spillan, 2014, p.5). If managers are willing to accept that, then they should be able to get to the point where they will have a proper advanced planning to face the crisis and turn it into opportunities. ”Crisis occurs in companies in two ways: threat crisis and opportunity crisis” (Chi, Hung, 2011, p.861). An opportunity crisis has a higher percentage in turning the situation to a better point than the threat crisis. Understanding how to recognize the signs that come before the crisis and understanding the different lifecycles of a crisis helps in turning the threat crisis into an opportunity crisis.

A crisis could affect more than one aspect of a business. With an ongoing planning the company gets more alternatives to deal with the crisis. Ongoing planning helps the company in responding to different crises at different times. So better planning and analysis gives more power and more chances to transfer threats into opportunities. Planning to deal with a crisis should never stop, because every time a business is not in a crisis, it is in a pre-crisis stage (Fink, 1986). And once management reaches the point of having the ability to recognize what a pre-crisis or a warning is, it should know whether to do anything about that warning and if so what should it be.

It would be wrong for managers to spend their time trying to know every crisis their business might face up with, this will be infinite (Darling, 1994). One step that could be done is to measure how much the crisis might affect the business and how

much is its probability of happening. Those ones that have the highest effect and highest probability have the priority to deal with (Fink, 1986).

A crisis might be understood by looking at it in the same way it is looked at a disease in a body and how it might not be easy to predict the disease from the first time. On the other hand, if more attention is paid towards the body or if the same symptoms were seen and recognized from a previous experience, the chances of knowing how to avoid that disease will increase. Although more attention and previous experiences helps, it is not always a valid theory. Sometimes even if the reasons are known, a body cannot be protected from getting ill. In those cases the best solution would be going to a doctor, through this way the responsibility and the opportunity for healing are given to a person that is well educated and trained about this specific issue. Mismanaging the situation would be through ignoring the symptoms and waiting for the body to get well naturally by itself, or to delay the intervention until the last moment. Taking one of those two wrong decisions might lead to a mandatory step, which is surgery. A surgery is also considered a better choice than to just sit and hope that the body will stop suffering once the patient passes away. A correlation could be seen between the pervious situation and the situations that could be faced in the business life. It might seem different but looking at the general concept of both situations will show that there are many similarities. If a good attention is paid to the main elements in a company, it is easier to diagnose the problems and to intervene to prevent those problems from happening. If a situation reached a place where it is too late to prevent it, at least it should be given to the right person to take the right decision according to what options there might be. So as it is possible to rescue a soul in real life from health problems with minimal losses once there is an awareness of what is happening in the body, it is also possible in the same way to know what is going wrong in the organisms of a business and to give an effort to get out of the crisis with minimal costs.

Crisis management is “the art of removing much of the risk and uncertainty to allow you to achieve more control over your own destiny” (Fink, 1986, p.15). This art would allow managers to either turn the crisis into a better situation or at least to come out of the crisis with minimum loses. It is the place where managers are aware that a certain situation has happened or about to happen and all efforts should be put to fix or stop the situation while making sure that the daily operations are still working normally.

Crisis management is not a quick-fix solution. It includes knowing what the problem is, studying and analyzing the problem, and knowing how to deal with it or maybe even prevent it from happening (Darling, 1994). Crisis management includes reacting to certain events during and after they have occurred, taking into consideration that each crisis is unique and should be handled in a different way, with different experiences (Johnson & Peppas, 2003). But crisis management is not seen nor is it aimed to be a reaction for one certain event (Crandall et al., 2014).

Crisis management is a process that should be put into the main strategic planning of the organization. It usually requires a decision that should be made in a short period of time. A decision that would help the business to adapt to an event. Those events could occur because of both external and/or internal factors. External factors are the ones that are caused by elements from outside the company. These factors include economic, political, environmental, social, technological and legal factors. While internal factors are those elements within the company, internal factors include employees, management, the organization culture…etc. Having the appropriate strategic planning and analysis will help defining which factors might affect the business and how it would affect.

"Understanding the cause of the crisis damage is extremely important to the crisis manager" (Chi, Hung, 2011, p.866). This step might affect all the decisions taken after, because once the crisis is correctly identified, it will be easier to know which parts are going to be effected and which departments or managers in the organization are the ones to make the changes or take the appropriate actions. Although knowing the real reason behind a crisis is important, it needs to be done in a suitable time frame. A crisis might become a problem due to the time it appeared in or the time it got discovered. The real problem is not knowing that a crisis excites, the challenge is discovering the crisis in an appropriate time frame that gives individuals the chance and understanding to address that crisis (Darling, 1994). That is why the responding time is a sensitive factor in decreasing the loss that has occurred by the crisis (Johnson & Peppas, 2003).

Understanding and identifying the crisis that affects the business within the right time frame is a huge step. In addition, achieving this step helps managers in being on

the right track. However, although it is an achievement, managers should keep in mind that it is only one of the steps.

1.2 Phases of Crisis

The players and contents of each crisis might be different but the four phases of a crisis are the same. Not every crisis will go through these four phases, but no crisis has more than these four phases. Knowing these phases assist managers to deal with a crisis. Fink (1968, p.20-28) discussed that these four phases are:

1) Prodromal crisis stage

This stage works as a proactive stage. If managers want to be proactive, they need to be ready before something happens. In this stage managers try to know the crisis before it happens and to either prevent it or be ready to deal with it. Doing an internal and external analysis as mentioned before helps knowing what kind of crises management might be facing. Knowing the kinds of crises helps managers through the other three stages.

During the prodromal stage, the symptoms of the crisis are noticeable. In this stage managers need to choose to either find a way to stop or prevent the crisis or to have a clear guideline that will help in dealing with the crisis. This is the stage were managers still have a higher chance to turn the crisis to a better situation, so a decision should be made, managers need to decide if they are going to take a proactive action or they will wait for the next stage and take a reaction toward the crisis.

2) Acute crisis stage

At this point, the crisis event and damages begin and become noticeable. This phase is influenced by the previous stage. If the right proactive actions were put in place, the percentage of damages is decreased. If the wrong proactive actions were taken or if there were no proactive actions in the previous stage, the percentage of the upcoming damage increases. In this phase, the crisis becomes visible outside the organization. This might affect the reputation of the organization. Crises are a big threat for the organizations' reputation. Having a basic knowledge about crisis management helps in protecting the reputation of the organization (Šontaitė-Petkevičienė, 2014).

A mistake that most managers do is to take an action at this stage, thinking that it is the first stage of a crisis. In the acute stage damages start to appear, which means that managers have no choice but to face the crisis, even if everything that could be done in this stage is damage control.

3) Chronic crisis stage

This stage could be referred to as a period of recovery. A period to know how much time those effects are going to last. A crisis might happen fast but its' effects could last for a long time. Management could use this time to plan more and maybe in a different way. They could try to know what went right or wrong by analyzing the events and changing their plans if needed. After handling the situation, they become more experienced in crisis management and thus, this could help them to deal with subsequent crisis better. That experience could be what to do, what not to do, when to do it, how to do it and if to do anything at all.

4) Crisis resolution stage

This is the final stage that indicates the ending of the crisis. Although everyone will see this as a goal, it cannot, nor should it, be rushed into. Management cannot jump the first three stages but having the right strategies help in ending the crisis faster. Also, after the crisis ends, management should try to understand the situation better so as to avoid or prevent such situation from happening again in the future. Although most companies tend not to plan during their safe situations, it might be impossible to plan during the crisis, because organizations would be put into a situation that would probably make them take the wrong decision (Darling, 1994).

When most people are talking about a crisis they usually are talking about the acute stage. This might be one of the big problems managers have. No one thinks about the crisis until the bad effects start to appear and be noticed. When in fact the most important phase is the Prodromal phase. It would be easier to deal with a crisis in this phase, easier to manage, this is the phase where everything is still simple and could be under control.

As mentioned before a crisis could be defined as a critical moment or a turning point. Which means that a chance is given to have two opposite paths. In the prodromal

phase the power is still in the hand of the management to decide how the crisis ends. The end of that phase does not mean that the chance of turning it to a positive side is not there anymore. It means that it would be more of a reaction than an action to the crisis.

1.3 Managing Crisis

To manage could be defined as "successfully achieving something even though there might be some difficulties" (Merriam-Webster's collegiate dictionary, 2019). The achievement of managing a crisis – having control over the outcomes – might change according to the time a manager starts taking actions to face the crisis. A crisis might be looked at as it has a before, during and an after phase, and each one would be handled in a different way (Crandall et al., 2014).

As mentioned before, crisis management is a process and a plan that includes strategies to deal with certain situations. It should be a part of the strategic planning of the company. Putting a long-term plan for a business contains analyzing the factors that might have an effect on that business. One way to identify potential crisis is through using SWOT analysis (Crandall et al., 2014). SWOT analysis would help identifying the opportunities and threats that have to do with the external environment, and the strength and weaknesses that have to do with the internal environment (Wheelen & Hunger, 2012). To reach the external and internal factors that might affect the business, PESTEL and Resource-Based view (RBV) analyses should be done. PESTEL analysis includes 6 different factors:

1. Political: Political factors are decisions taken by the government that affect the business.
2. Economic: Economic factors include the changes that occur to an economy and how it might change the value of the business.
3. Social: Social factors are the different ways of living changes according to different aspects or principles.
4. Technological: Technological factors are those related to the development of the technology.

5. Environmental: Environmental factors are related to how the company is affecting the environment and if there are any restrictions from the government that are related to dealing with the environment.
6. Legal: Legal factors include all the laws that are decided by the government and would affect the business.

RBV analysis include checking the resources of a business and whether those resources are valuable, rare, costly to imitate and organized to capture value for the business, if so then this resource would help the company get a sustained competitive advantage.

A factor that might have a positive effect on the business could turn into a negative one if managers do not take advantage of it in the right way. After identifying the factors that might turn into a crisis, managers should deal with them according to priority. A plan should give priority to the ones that have high impact on the business and have high probability of happening. Knowing what you might be faced and having a plan that shows how you should face it, what should be done in the pre-crisis stage before the crisis hits. It is always easier to take proactive actions than to face a crisis after it hits the business. However, a crisis might also happen because of external factors that managers have no control over, that is why planning helps managers in dealing with different kinds of crises, and this plan is organized by steps that helps managers to find a way to deal with a crisis, not only to solve the crisis in order to be ready for any other crisis.

Even if a strategy was drawn and clear and effective plan managers had prepared, it will not prevent damages 100% from happening. Sometimes there is no choice but to face the crisis. Once managers find themselves in this stage, there are a few steps to help them deal with that crisis. Those steps are: identifying the crisis, isolating the crisis and then managing the crisis (Fink, 1986). Step one, as mentioned before, is knowing what exactly is the crisis that is being faced. Because no one can manage something that is unknown. Also, the crisis is identified, a decision should be taken on whether an action is going to be taken or not. Step two is isolating the crisis. A crisis should be separated from other parts of the organization and fixed separately. So that other parts will not be affected and ruined as well. Managers should at least have

the situation under control. It should be handled far away from the normal functions of the business. Step three is managing the crisis. Identifying and isolating the crisis helps having a better idea about what is happening and what choices and decisions are left to take, it also helps in getting less choices and a clearer way to achieve the target that managers want, because managing a crisis is managing a variety of decisions (Fink, 1986). When identifying the crisis, managers will have a clearer idea about what they are facing, and it is isolated. There will be fewer choices to choose from. The facts are known. Managing those decisions should start. Managing the crisis should start.

Although a crisis might hit the organization as a whole, it is up to a person to take the decision and the action to handle the crisis (Fink, 1986).According to that, another issue that must be considered is to have the right person/team ready for facing the crisis. When the crisis ends and the result turning point was toward better or worse, the only thing that can be learned is what happened (Crandall et al., 2014). In managing a business, making mistakes is expected and acceptable. When a crisis is related to an abnormal factor or it was not predicted by the managers, it would be normal to make the wrong decision. But if the crisis is repeated or had a clear sign before happening, making the wrong decision shows that a weakness excites in at least one part of the organization.

New Government, New Rules

2.1 The Beginning of Arab Spring

Whenever there is a change in politics, a change in economics will follow. In order to understand the change in economics, political changes should be understood first. The economic change in Egypt began with what was later called Arab spring. The Arab spring is a series of anti-government uprisings that affected the Arab countries of North Africa and the Middle East beginning late 2010. It was a way of expressing what the citizens of those related countries wanted. It moved across several countries with people aiming and demanding for justice and for a better life (Abdou & Zaazou, 2018). This was a movement that started by one man refusing to give up the source of his living and ended up being a revolution for several years in more than one country.

The revolutionary wave started with the Tunisian revolution and later on spread to other countries, including Libya, Egypt, Syria and Yemen. It all started after a young man called Mohamed Bouazizi set himself on fire in his hometown on December17th, 2010. His action was prompted by an incident that involved him and the police in which his cart that he used to sell fruits and vegetables – his source of living – was taken from him by the police because it was not licensed, according to the laws in Tunisia. The incident lead to the beginning of a series of street demonstrations that started in Sidi Bouzid, the hometown of the young man Mohamed Bouazizi, and then reached other cities in Tunisia and was the reason for the arrest and death of many citizens. The protest that had started off by citizens who refused the way the police handled the situation, later evolved into demanding the resignation of president Zine El Abidine Ben Ali.

On the 5th of January 2011 was the death of Mohamed Bouazizi after spending 18 days in the hospital. After the protests spread across the country, previous president Zine El Abidine Ben Ali tried to control those protests by showing the citizens that some problems are being fixed, such as promising them with new jobs to decrease the unemployment rate. On the 14th January 2011, President Zine El Abidine Ben Ali was forced to leave the country and went to Saudi Arabia.

Mohamed Ghannouchi, the Prime Minister took control over the country for one day and was followed by Fouad Mebazaa who was president from 15th January 2011 until the 13th of December 2011. After that Moncef Marzouki was elected as the 3rd President of Tunisia by the Tunisian Constituent Assembly and stayed president until 31th of December 2014. In December 2014, Beji Caid Essebsi won the first regular presidential election following the Tunisian Revolution, becoming Tunisia's first freely and directly elected president.

The economics of the Arab countries were affected negatively after the revolutions that were later called the Arab Spring. A series of revolutions started because of reasons that had to do with the economies of those countries and the increased percentage of unemployment and poverty. Other reasons were related to social factors like bribery and corruption played a huge part of why those revolutions started in the first place. The effect that those protests had on the political side were followed by an effect on the economic side. When a country has an unstable environment, sectors like tourism and foreign direct investments will decrease as others will feel less safe to visit or invest in those countries. And when countries count on such sectors, their economy will be hugely affected (Khalofi, 2016).

Studies that include reasons for Arab Spring were mainly focusing on the same issues. According to Mao reasons for Arab spring include social, economic and political reasons. Arab countries faced social problems like nepotism. The economic situation was bad in most of the Arab countries, most of them relayed on the returns of oil and tourism and faced problems such as high population growth rates. Other reasons were related to the education, as the population of the Arab world reached 335 million in 2009 and 30% of them were illiterates. Political reasons existed because of the fact that those countries suffered from authoritarianism which lead to limited political freedoms (2014).

Ismail (2013) discusses that the absences of the law and the fact that there were no mechanisms to enforce the law was a reason for starting Arab spring. Other reasons include:

1. Presence of ethnic contradictions and conflicts.

2. Instability of political order;
3. Uneven distribution of socio-economic and sociopolitical benefits;
4. High level of poverty;
5. Presence of structural and geographical risks (e.g., a “youth bulge”);
6. Excessive government corruption.
7. Availability of attractive alternative to the existing political regime and others. (Korotayev, Issaev, Malkov, & Shishkina, 2014).

It might seem that the stories behind each revolution are similar, but according to Anderson (2011) the main reasons behind what happened in Tunisia and Egypt are different. Tunisia had an excellent education system but little freedom in expressing their opinions. In Egypt one of the biggest problems was the fact that everything might seem cheap but in practice was very expensive, the massive existence of the (off-the-books) payments was a major reason for their revolution. And one difference between Tunisia and Egypt was the extend role of the military, as the military was not as affective in Tunisia as it was in Egypt.

The Egyptian society had been suffering from problems like the constant increase in corruption as well as the human rights violation decided that it was time for a change for better life conditions (Wafa, 2015). The Tunisian protests that started before the Egyptian protests and succeeded in getting pervious president Zine El Abidine Ben Ali to abdicate his position after 23 years, became a powerful and affective experience that lead many young Egyptians into the streets for the first time.

The Egyptian revolution started on the 21st of January 2011, Thousands of Egyptians took part in the protests with the aim of forcing the president to step down from his position. After the loss of many lives, the president left his position. This Situation turned Egypt into a country ruled by the military for about one and a half year which lasted until 30th June 2012 when the next president Mohammad Morsi was elected. Mohammad Morsi served in the role for one year until June 30th, 2013 – on his first anniversary as president – when a new wave of protests started demanding his immediate resignation. The following day, the military that was led by Abdel Fattah El-Sisi gave Morsi a 48 hour time limit to fulfil the demands of the people. By the end of

that time limit, the military took over the presidency from Morsi and on the July 4th, Adly Mansour was named as the temporary president of Egypt and served till 2014 when Abdel Fattah El-Sisi became president by winning the elections that year. It is important to mention that 578 citizens lost the lives in these protests with an additional 4200 people sustaining injuries.

That new way of revolutions was accompanied by new challenges, it had an effect on the relationship between the Arab countries themselves and between them and other non-Arab countries. It was followed by security challenges as countries were not able to control the transition phase which might lead the country to a complete fail or at least change the relationships in between the countries. Those revolutions showed that even though they were not completely organized, in most cases they were able to easily take down the existing system but it was hard to build a new right one (Shanin, 2018).

Each event Egypt and Tunisia went through from the beginning of the protests had a major effect on both of them as countries. Even if the crisis started as a political crisis, it did affect other aspects of the country. Different aspects of a country cannot be separated, when one part is affected other parts will be affected as well. Even though those problems were related with changing the president, it could not pass without leaving scars on every other aspect of the country such as economics, health, education…etc. Even after the crisis ended, it was still a new beginning that needed new rules and new way of governing. At least it needs to be looked at from a different angle. Because all those protests were aimed for some kind of change. Having the same people or the same rules is not going to change anything. So in order to not let the history repeat itself a new plan should be put. New decisions needed to be taken. Being a manager or an owner of a company, all those changes should be taken into consideration. Businesses should be able to handle different changes, some of them will not be caused by the direct elements of the company but will definitely have an influence on the business.

The revolutions extended after Tunisia and Egypt to Libya, Yemen and Syria. Other countries were also affected but five main countries were the most affected ones with the revolutions. On the 17th of February 2011 the protests started in Libya and soon enough it became a civil war between their former president and the citizens who were

demanding similar demands as in Egypt and Tunisia. In the 20th of October 2011 along with many citizens who have lost their lives came the death of Muammar Al Gathafi, the former president of Libya for more than 42 years. The revolution in Yemen started in the 11th of February, it was affected by the Tunisian and the Egyptian revolutions and it was seeking to change the way the country was ruled by its' former president Ali Abdullah Saleh, who was the president of Yemen for 33 years. In the 3rd of June 2011, former president Ali Abdullah Saleh was subjected to an assassination attempt and was moved to Saudi Arabia for treatment. Ali Abdullah Saleh came back to Yemen in the end of September 2011 and resigned from his position in the 21st of January 2012. He allied with the Houthis in 2014 and was later killed in the 4th of December 2017 due to problems that occurred from that alliance. On the 18th of March 2011 the civil war in Syria started, as well as the other countries before it, it was aiming to change the way Syria was ruled. President Bashar al-Assad, who is the president of Syria since the year 2000 until now, refused to resign, causing the death of hundreds of thousands of citizens in Syria as well as many who left the country and headed to other countries across the world. The country was split into two main groups, one was the Syrian army who supported the current president and the other was the free Syrian army who were against president Bashar al-Assad. The ongoing war became an international crisis and a scene of conflict between different countries of the world.

2.2 The Implications of Arab Spring on Egypt and Tunisia

The revolutions that started in Tunisia and then Egypt had different reasons for both countries, and as they both happened mainly for changing the presidents of each country, they also had consequences on more than just the political side of each country. As citizens looked for freedom and change, it was inventible to gain what they wanted without some negative consequences.

According to Mushtaq & Afzal (2017), some of the consequences of the Arab spring were:

1. Removal of the Authoritarian Rulers from Tunis, Libya, and Egypt.
2. Granting of Political and Social Rights in other countries such as Oman, Saudi Arabia, Bahrain and Morocco. These countries gave better economic

and social rights to their citizens, in order to not face the same circumstances as Egypt, Tunisia or Libya.

3. Development of Public Political Sphere: After what happened through the protests, people came to an ending that supported the idea of discussing issues related to their countries in public places and to ask for changes and have expectations that can be achieved.

The Arab spring contributed in changing different aspects in each country. The protests were one of the main reasons to make some changes in the Arab region after ending a few old and similar ways of governing. Although the main changes were related to politics, the Arab spring had an influence on other aspects like the economics of some countries. The revolutions had an influence on the economic sectors and were the reason for increasing the unemployment ratios, the debt ratios and causing a deficit in the budgets of some countries. In Egypt it caused a 81% decrease in tourism in one month, more than 100,000 Egyptian worker came back from Libya because of what was happening, and the balance of payments in Egypt had a deficit of almost 10-12 million dollars in the year 2011/2012 (Mao, 2014).

The economic effects that occurred because of the political changes in the Arab region include some points like (Khalidi, 2015):

1. It led to a sharp decrease in the tourism section in countries like Egypt, Tunisia, Bahrain, Syria and Jordan, which led to less demand for the food, transportation and luxuries and increased the unemployment in the tourism sector.
2. The protests that reached Libya was the reason for making many Egyptian and Tunisian workers to go back to their countries which raised the unemployment rate in those countries (see figure 1). The problems in Libya also affected the producing of oil in Libya, affecting the prices of oil and causing a negative influence of the countries that import oil like Tunisia, Morocco, Lebanon, Jordan and Egypt.

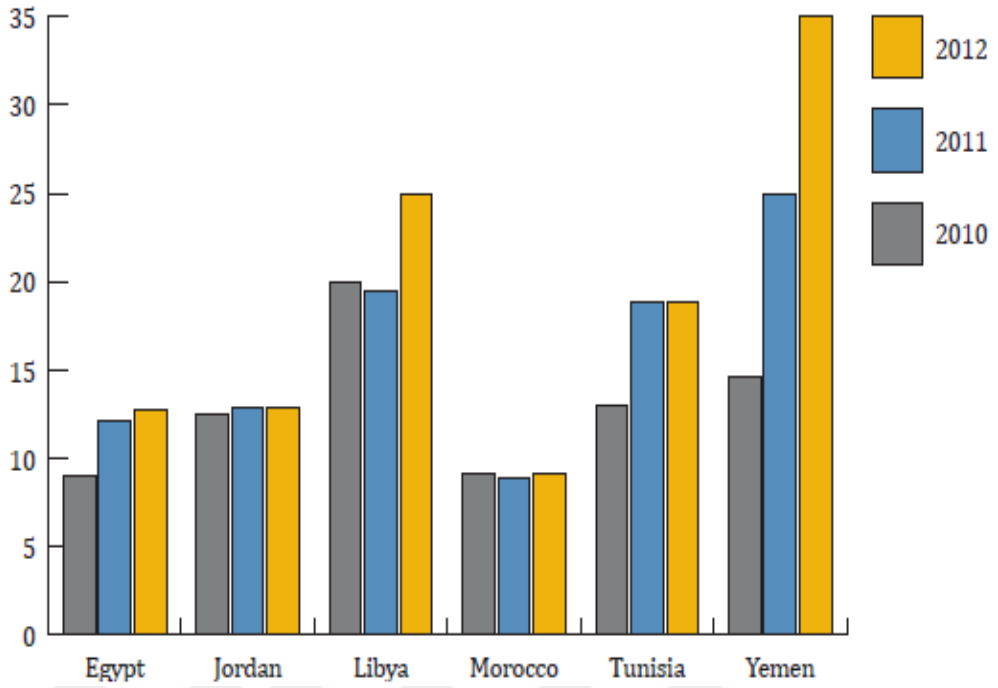

Figure 1: Unemployment rates Khan, M. (2014).

3. The political problems had an effect on the capital funds of some countries. Capitals funds were moved from countries like Syria, Egypt, Tunisia and Yemen leaving a negative influence, and were deposited in Lebanon, Jordan and UAE, making a positive influence.

In Tunisia, a lot of factors occurred and were a sign that a big thing will happen in the country and ended with starting of the Jasmin revolution, and according to Mahmoud (2015) some of these factors are:

1. The controlling of ruling family on the Tunisian market and turning all public businesses that can generate personal profits and benefits for them into private businesses, such as the first Islamik bank as well as the most popular newspaper were under-controlling by the husband of former presidents' daughter Sakhir Al-Matiry.
2. Increasing in the percentage of unemployment and reached 13% of the total population (see figure 2).
3. Lack of communication and interaction between the Tunisian and their government, which leaded to violation of rights of Tunisian through the policy of the government in leading the country.

4. The Tunisian government were not taking into consideration any issues of the Arabic world as well as the system that followed by the Tunisian government with the people was not considering the public opinions.
5. Decreasing in the purchasing power of the Tunisian citizen as a result the high prices of material in the market due to the increasing in the imports and a decreasing in the exports of the country, this was followed by more poverty and more injustice.
6. The government was employing persons that have mediation to increase rates of nepotism and bribery without taking into consideration if that person was in the right position and have efficient enough or not, such as there were some inefficient employees in sensitive positions in manage the economy, safety and many institutions of the country, which caused some problems.

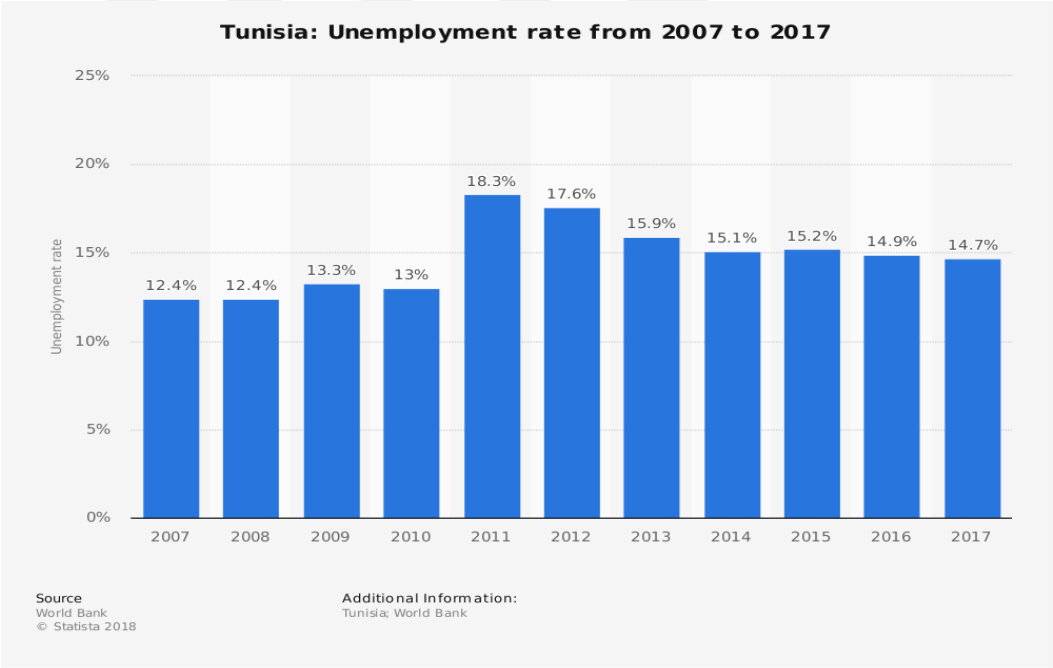

Figure 2: Unemployment rate of Tunisia (Tunisia World Bank)

After that, the revolution extended to Egypt, and ended with achieving the main goal, which is ending the injustice and overthrow the rule of Hussni Mubarak. The Egyptian revolution included three reasons according to Rózsa (2012) which influenced the start of the 2011 protests:

1. The way that Mubarak ruled the country was full of injustice and suppression of freedoms as well as suppression the political..
2. Increasing in the rate of unemployment and retrate the sector of health and education that was a result from the fact that Egypt's' population increased from 21 million to 83 million since the 1950s' (see figure 3).
3. It was hard to have a basic standard of living after having a neoliberal economic decisions.

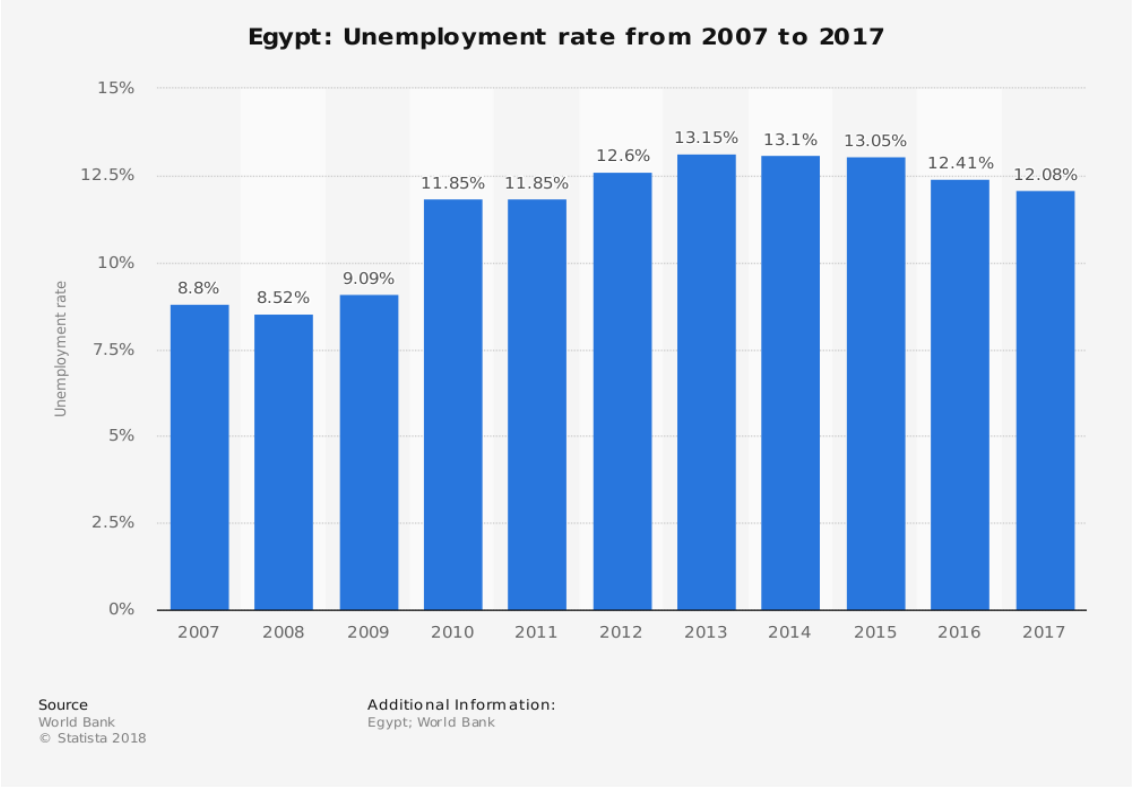

Figure 3: Unemployment rates of Egypt (Egypt World Bank)

Although the reasons behind the revolution in Egypt were known and expected compared to the revolution in Tunisia, the Egyptians were looking for a point where they believe that their protests will make a difference. However, the Egyptians reached that point from the achievements of Tunisian revolution and more factors such as (Haas & Lesch, 2013):

1. Online communities: Social media was a turning point in all revolutions in general and pushed the people into the streets and organized them. Also, it helped building a community were people felt each other and made the

people discover that what happening is badly affecting their future. Social media such as Facebook and blogs managed to create a large group of people who have the same noble cause, which is to transform their country. Having a shared cause and feeling that they belong to a community created a bond that made those citizens risk their own lives.

2. Tunisian revolution: After the protests in Tunisia ended in the departure of Zine Al-Abidine Ben Ali, Egyptians saw that changes in their country could come from protesting in the streets.
3. Satellite television: The events that happened in Tunisia along with the fact that Egyptians started protesting on Tahrir Square were broadcasted and seen by other Egyptians who then saw that participating in what was happening will lead to a meaningful change, especially that some of television channels were standing beside the government and tells the outside world that terrorists and saboteurs are in the streets and there is no protesting and revolution.
4. The organizational skill of the youth movement: Youth activities were able to get more people than anyone would expect to the Tahrir Square on the 25th of January, and while all that was broadcasted it managed to show other Egyptians that the risk that they might take is worth it and led to more people on the streets.

According to Khalofi (2016), the Egyptian revolution affected three aspects of the country:

1. Political and security aspect: the 25th January revolution led to an unstable and unsecure country. After Hussni Mubarak, the country had continuous protests during the 18 months that were led by the military. Even after Morsi was elected, the protest did not stop completely. It lasted until July 3rd when Morsi also stepped down as president.
2. Economic aspect: After the revolution, Egypt had a negative economic growth in the fiscal year 2010-2011, which was -4.2% in the third quarter of the year, and was the first negative quarterly growth rate since 2001-2002. The tourism sector had a -19.5% growth rate during 2010-2011. Although it got better in the first quarter of 2012-2013 by increasing to 7.8%, it declined

again to -5.2% in the fourth quarter of that year. The FDI in the petrol sector that represents 70.9% of the total FDI in Egypt was 3.59 billion dollars in 2009-2010 and it decreased by710 million dollar in the first quarter of 2012-2013.

3. Social aspect: Because of the decrease in the FDI of the country, the return of the Egyptian workers from Libya and the decrease in the revenues of tourism sector, the unemployment rate increased by 3% in one year to reach 12% in the year 2010-2011. The poverty rates reached 25.2% in 2010-2011 after it was 21.6% in 2008-2009. The inflation rates increased from 10.4% to 11.9% in 2010-2011.

Albikri (2012) argued that the consequences of the Arab spring on Egypt up to 2012 included:

1. Since the start of the revolutions until 2012, Egypt's' foreign exchange reserves declined by 19 million dollars.
2. According to the report of the central bank of Egypt, the forging debts increased to reach 34.9 billion dollar in the end of July 2010.
3. GDP growth was is 1.2% in 2011 compared to 5.1% in 2010.
4. The Egyptian pound loss 3.8% of its value, from the 2010-2012.
5. The total value of investment in the year 2010/2011 was 3% less than the previous year.
6. The amount of losses in the internet sector reached 90 million dollars in the five days that the internet services were disconnected.

Albikri (2012) also argued that the consequences of the Arab spring on Tunisia up to 2012 included:

1. The growth rate went down from 3.1% in 2010 to 0% in 2011.
2. The prices of food increased by 9% in 2012, energy increased by 8.1%, transportation 4.7% and clothes 3%.
3. Rent prices increased by 4.6%, as well as the cost of maintenance and house repairing that increased from 6.6% to 14.9%.

4. The price of cement increased from 4.3 dollars to 8.8 dollars.
5. The tourism sector deceased by 50% since the beginning of the revolutions.
6. Foreign investment decreased by 20% and many factories were closed.
7. The deficit of the balance of payments reached 7%, after it was 2.5% before the revolution.

2.3 The Exchange rate crisis

A currency crisis is defined as "a situation in which the value of a currency becomes unstable, making it difficult for the currency to be used as a reliable medium of exchange. The effect of a currency crisis can be mitigated by sufficient foreign reserves. A currency crisis is a type of financial crisis" (currency crisis in business dictionary, 2019). The effect of a currency crisis can be mitigated by sufficient foreign reserves. It could also be defined as "a term used to refer to a type of financial crisis that encompasses an acute devaluation of a currency. That is to say, there is a sudden and often severe drop in the value of a currency" (currency crisis in Study.com 2019).

The currency of a country is linked to more than one factor, these factors could be related to the economy of the country or the political status of the country. Factors that might affect the currency includes, inflation rates, interest rates, the stability and safety of the country, the balance of payments of the country, the percentage of the foreign investments and the debt of the country.

When a crisis affects the political side of a country, it will also have an effect on the stability and safety of that country. An unstable country will suffer economically, existing investors will withdraw their investments from that country, new investors will consider other countries, and this will lead to less profits and might lead to debts, affecting the interest rates of the country and might lead to the decrease of the value of the currency of that country.

A lower currency value might happen because of natural causes and sometimes it might be because of a decision taken by the government of the country. When currency (A) losses its value, it will have a lower purchasing power than currency (B), which will decrease the amount of goods imported by country (A), and on the other side

products produced by country (A) will become cheaper to country (B) which will encourage (B) to import goods from country (A) leading to an increase of the exports for country (A). Lower currency value might lead to more exports than imports which will affect the balance of trade of a country. A decline in the value of the currency will also have an effect on the standard of living in the country and in other countries dealing with this country, it will affect companies operating in this country and exporting to other countries and/or importing from other countries. The side effects that occur when the value of a currency changes might be positive to some parties and negative to others.

2.3.1 EGP Exchange Rate Crisis

Before the 19th century, Egypt did not have a specific and official currency that represents the country, silver and gold coins were used as a currency. In 1898 the national bank of Egypt was established, and from 1885 until World War 1 in 1914 the Egyptian pound was linked to gold as 1 EGP was worth 7.4357 grams of gold. After that, the EGP was linked to the British pound (GBP) after the World War 1, and on that time 1 GBP was equal to 0.975 EGP. Later in 1962 the Egyptian pound was linked to the American dollar and for 2.3 dollars for each Egyptian pound. Then in 1973 each EGP became equal to 2.5555 USD due to October war and the victory that gives back Sinai to the Egyptian. In 1989 the USD became equal to 3.3 EGP until 2003 when the central bank took a decision to float the currency completely.

The Egyptian pound value decreased against the dollar more than one time. In 2003 every 1 USD became equal to 5.5 EGP and stayed in fluctuate stage till January 2011 where the value of the Egyptian pound decreased to reach 6.1 EGP for each dollar. In 2016 the Egyptian pound faced a sharp decrease to reach 18 EGP for each dollar in the black market and was evaluated to 8.85 in banks as the purchasing price and 8.88 as a selling price (see figure 4).

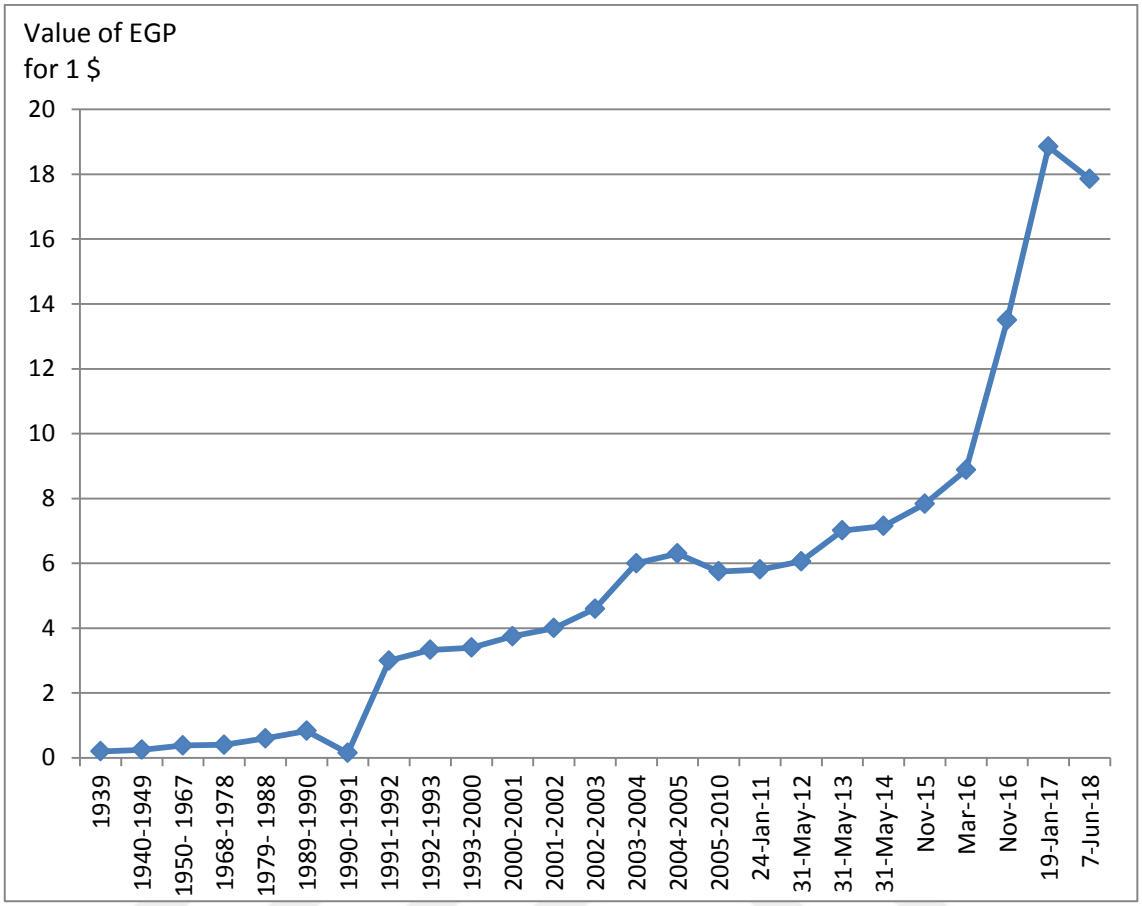

Figure 4: Value of EGP against 1 dollar since 1939

The revolution that effected Egypt has an influence on the currency value as well, it started to decrease that value for more than one year, which caused many problems as the existence of black markets that were eventually shut down by the government. This crisis made the government to take a decision to float the currency completely as a way to help getting the EGP value back and to encourage foreign investors to come and invest in Egypt.

According to the central bank, the main reasons for the increase value of dollar in exchange of the EGP are:

1. 24 billion dollar deficit in the balance of payment of the country.
2. In March 2015/2016 the deficit of the currency balance of the country increased to reach 14.5 billion dollar.
3. No production with an increase in the local spending which caused an increase in the import products.

4. Decrease in the profit of the country that comes from the tourism sector.
5. A decline in the transfers to Egypt from the Egyptians that are in other countries.
6. Less foreign investments.
7. Less investments in some of the cities as a result of the inability of getting money from foreign investors.
8. Rumors and wrong news about the currency that led to losing the trust in the EGP currency.

In 2016 the EGP reached a value of 18 EGP for every 1 dollar, and according to Tamali (2016), many reasons were behind this decline, such as the absence of the oil that was not received from Saudi Arabia as well as the fact that there was an economic crisis and it was heading to a worse scenario because of the government's' decision to float the currency. Another problem that appeared in Egyptian situation is the amount of debt that was increasing dramatically up to 16% in 2015-2016 till it reached 55.8 billion dollars. This problem created a decreasing in the EGP value and caused a decline in the exports to reach 22 billion while the amount of imports reached 90 billion dollar, which caused to a higher demand on dollar. In this case, the demand of dollar becomes higher and it was the reason for a decline of the EGP in exchange against USD. Other reasons related to the decline of the EGP value, according to Abo Mandeel, (2016) were:

1. The law of the demand and supply: when the demand of the USD increased, the availability of USD amount in the market decreased, which was the reason of the increasing the value of the USD in exchange of the EGP.
2. The amount of imports: As it reached almost 60 billion dollars in a period where the country is facing a recession in economy.
3. Tourism: the crisis that happened in Egypt was the reason of a sharp decreasing in the tourism sector by an 11% because of some reasons such as the country was not safe. This decline was a turning point in the Egyptian economy especially that tourism considered as one of the most important income because tourism was one of the most important way of increasing the dollar amount in the country.

4. The central bank decision: the central bank made a decision to not allow to deposit more than 250 thousand dollars per month in order wanting to solve the problem of the declining value, which was the reason of making the investors go to the black market to get more dollars by exchange rates better than the bank.
5. One of the most important ways to increase the amount dollar inside the Egyptian market was through the transfers from the Egyptians in other countries to Egypt. In the end of the year 2015/2016 these transfers decreased by 400 million dollars.
6. The absence of foreign investors in Egypt: the unstable environment, lack of safety, the political and economic problems and the new rules that makes procedures to take more time than usual were the reason that made foreign investors to leave the country.

Added to the fact that the tourism sector had a huge role in the decreasing value of the currency, the European tourists who represent 70% of the tourists in Egypt decided to do not visit a country that is not safe or stable and that had a bad image in the last few years due to the violence and the arrestments of the journalists. Other reasons were related to the existence of the military in the streets leading to disabling some of the organizations and causing an increase in the deficit of the country. One reason was the increase in the corruption in the country as it was unstable and was led by the military for a long time.

A decline in the currency of the country has consequences, some of those consequences in Egypt were related to the increase in the prices of the products, a decrease in the purchasing power of the Egyptians, increase in the prices of gold as a result of the increase demand for it, a decline in the deposits in banks, an increase in the debt of the country, a decrease in the foreign investments, an increase in the unemployment rates, an increase in the prices of real states as the demand for them increased by people wanting to invest their money plus the transfer of the dollars out of Egypt as a reason to not lose more money.

After a few time of the decline value of the EGP, the government took a decision to float the currency on November 3rd, 2016 partly to improve the value of the EGP

which will encourage foreign investors to invest in the country and partly to fulfill the condition of the International Monetary Fund to give Egypt a loan of 12 billion dollar. Nonetheless, by the floating the currency means it is no longer controlled be the government and it is not pegged to another currency either. Hence, it fluctuates freely on a daily basis. Thus, after floating the currency, the EGP value declined by 48% against the dollar and reached a 13.5 rate per dollar in the morning of the floating decision, and by the end of that month, it had fallen in value to 18.16 per dollar. During the next month, the EGP reached its' lowest value ever, getting to 19.52 against each dollar and ended the year at 18.83 per dollar (Alsaied, 2018).

The decision to float the currency was seen as a right decision by some people and for others it was a wrong decision completely or at least the right decision but at a wrong time. Nevertheless, floating the EGP had some positive implications as well as some negative ones. Negative consequences included the increase in the inflation rate from 13% before the floating to 35% after the floating which caused an increase in the cost of living in Egypt. The positives outcomes of the floating decision are the local and international trust that Egypt got and was the reason for having 60 billion dollars in 8 months, and as well as Egyptian banks receiving up to 7.8 billion dollar (Karima, A 2017).

2.3.2 TND Exchange rate crisis

In 1855, The Tunisian Riyal was the official currency in Tunisia and it was equal to 0.1755 g of gold and 2.7873 of silver. After that, the Tunisian Franc replaced the Tunisian Riyal in 1891 (Alkhadra, 2010). Then, the Tunisian Franc was replaced by the Tunisian Dinar in the first of July 1958 according to the law 58-109. The TND divided into 1000 millime and it was equal to 2.115880 g of gold (Chen, 2018). The Tunisian dinar was pegged to the U.S dollar at a fixed rate where 0.42 TND was equal to 1 dollar until 1964 when the Tunisian dinar was devalued to equal 0.525 for each 1 dollar. The value of the Tunisian dinar changed in exchange for the euro (see figure 5) and for the dollar in the last few years (see figure 6).

Figure 5: TND exchange for euro (Exchange)

Figure 6: TND exchange for dollar (Exchange)

The TND faced a decline in its value after the start of the revolutions and the Arab spring, the value of the TND decreased against both the USD and the EUR. According to Ayari, & Chaker, (2016), this fluctuation in TND value was linked it with many reasons such as:

1. Deficit in trade balance: According to figures from the National Institute of Statistics, the trade exchange with abroad witnessed a decrease in total exports by 3.3% and an increase in imports by 7.5% after the revolution.
2. High value of funds transferred by foreign companies: The decline in revenues leads to a decline in reserves, and the purchase of commodities, raw materials and consumer goods is carried out by foreign currency. All the procurement processes go through the Central Bank of Tunisia, which gives the right to withdraw and pay the amounts in foreign currencies to the supply companies according to the law of exchange. Consumption materials and accessories are not needed by the national group during this difficult period.
3. Decline in tourism revenues: Tourism is one of the important sources that revive the economic cycle, create seasonal and continental employment opportunities and contribute to the development of development, especially in the coastal and tourist areas. However, the sector declined after the beginning of the revolution and the spread of chaos, which led to a decline in foreign currency income and the cessation of tourism.
4. Decreases in foreign investment: All the security events and the political and social upheavals during the Tunisian revolution have made the investment and business climate in Tunisia unfavorable for every investor looking for the increase of production and profit by exploiting the labor force competent and low cost. The increase in strikes and the disruption of the production process in many industrial and conversion units prompted many investors to close their factories and leave the country. These factories were all export oriented. All export revenues pass through the national reserve of foreign currency and provide new revenues to revive the treasury. The exit of many investors from Tunisia because of the existing situation and the lack of serious solutions by the authorities and the exacerbation of disruptions and random strikes did not encourage investors to return after the first period of political transformation in Tunisia and did not encourage new investors to come and open new projects.

In 2011 the dollar was equal to 1.26 TND and the EUR 1.81. In 2012 the Dollar became equal to 1.42 and the EUR 1.93. 2013 the TND continued to decline to reach 1.53 in exchange for each dollar and 2.05 in exchange for 1 EUR. In 2014 it reached 1.66 for each dollar and 2.15 for each EUR. Also, the announcement of forming the new government by Al-Habib Al-Said in 2015 did not give the trust for currency and economic situation. Especially after some explosions that occurred in a few touristic places and a bus full of police, the currency continued to decline in different periods of the year where it was 1.89 for each dollar and reached 2.2 for each dollar in the same year, but was 2.18 for each euro and then became 2.0 because the decline in the European currency. In 2016 and according to the increase rates of the unemployment and the decrease percentages of the investments and the due to other economic problems, the TND reached its' lowest value of 2.34 for each dollar and 2.44 for each euro. In 2017 the TND reached 2.44 for each dollar and 2.66 for each euro after it was said that the currency will be partially floated (Chady, 2010).

After the revolution, TND started to lose its value against dollar and euro, which drive the head of the international monetary fund Bourne Rother to recommend Tunisia to reduce the value of the dinar. The aim of this was making exports more competitive. Usually, the central bank intervenes in the exchange market and spread a lot of foreign currency. This was aimed to maintain the balance of the market and so as not to cause declines or high rises in exchange rates of foreign currency between banks. The central bank of Tunisia occupies the position of an institution of balance and control and absorbs excess amounts of currencies in the exchange market and spread other quantities in the form of market need for it.

The flotation demanded by the international monetary fund from Tunisia is the necessity of the central bank's abstention from interfering in the exchange market and leaving the supply and demand base among the dealers that control the entire market without intervention to spread foreign currency so that the value of dinar relative to other currencies reflects the reality of the situation of the Tunisian economy as a whole. According to Alsamali (2017), the float is to let dealers in foreign currency to determine the value of the dinar in exchanges without interference from the government on the central bank, which will open the door for four issues that are:

1. The foreign currency traded in the parallel economy will become major part of the foreign exchange currency. This is an explicit recognition of the parallel economy and foreign currencies traded outside the market.
2. The floating rate will lead to a decrease in the dinar rate against foreign currencies as happen in Egypt. The dinar exchange rate against the dollar or the euro may be three or four times higher, which would increase the trade balance deficit, especially since imports from abroad is more than exports, especially with the decreasing of tourism income and lake of exporting the Phosphates.
3. Exporters companies will get benefit from floating the dinar while it will affect negatively on the importing due to the decrease in the foreign currency at the time of import and the increase in exports.
4. One of the controversial issues in floating the dinar is that the black market of foreign currency will become an official market as an influential factor in determining the exchange rate of the dinar and in this case, the laundering money will almost become not recognized and difficult to follow it.

At that time, the movements of exchange rates and the activity of Tunisian companies indicate that the dinar has already entered the floating stage, losing more than half of its value in just two years. In other words, the central bank no longer has any authority to intervene in the exchange market. In April 2017, the Tunisian government fired the minister of finance Lamyaa Al-Zraybi because she said the government started a partial float for the TND (Boazzah, 2019). This hypothesis that the government will leave the dinar in the grip of supply and demand without support was insured by the successive statements of officials in the central bank who assert that the economy is at greater risk than ever before, with the likelihood that the value of the currency will deteriorate to a lower level in the coming period.

METHODOLOGY

This chapter will include four main headings that were used in this study in order to gather the information and analyze it to get the results and discuss them.

3.1 Interviews

In this study, interviews were the most critical factor to collect information from managers. Before interviews, data and background information about crisis management and Arab spring were collected in order to understand both headlines and how Arab spring might be a crisis by itself or have consequences that could turn into a crisis for businesses.

Usually, interviews should be done by meeting the manager face-to-face and understand the way that crisis goes on in the Arab spring period and ask questions. Interviews questions can be divided into 3 categories: Structured, semi-structured and unstructured questions.

For this study, semi-structured interviews were used to collect the data from the three managers. First, questions were written based on the literature review part to understand the real crisis for each company and what the stages of the crisis were for each company. Second, during the interview and according to the answers of each manager, more questions were added to the original ones to understand the difference in each case study and the different point of views for each manager and what kind of practices or mistakes were done to deal with various situations.

For Company A, a face-to-face interview was done with the general manager of the company for 2 hours on the 15th of November 2018 in Jordan, then a phone call took place for 1 hour to answer the remaining questions on the 28th of November 2018. Both face-to-face and phone call interviews were recorded and notes were taken during the interviews in order to highlight the important answers. For Company B, a face-to-face interview was done with the purchase manager of the company in Istanbul/Turkey on the 13th of December 2018. The interview lasted for 2 hours and was also recorded and notes of the important information were taken during the interview. Finally for Company C, on the 21st of March 2019, a phone call with the General manager/owner

of the company for 1 hour and half and the whole phone call was recorded. Based on the recordings of the three interviews, the answers of the questions were written and kept in the appendixes.

3.2 PESTEL Analysis

After the interviews and based on the answers of each manager, both PESTEL and RBV analysis were done. The answers of the questions were analyzed to extrapolate what external factors influenced each case. Even though there were some mutual factors in the three cases, they had different effects on each case.

PESTEL analysis depends on stable factors which are: political, economic, social, technological, environmental/ethical and legal as mentioned in literature review. These factor are different for each country and they can differ in the same country from city to another and from company to another, so analyzing these factors should be done carefully as well as taking into consideration all expected factors that can be a sign of crisis.

3.3 RBV Analysis

The answers of the questions were also used as a tool to derive the resources that were beneficial for each company. Resources that helped the companies gain a competitive advantage and made it easier to face the different crises of each case were the ones mentioned in the RBV analysis.

RBV analysis include any internal factors that are valuable, rare, costly to imitate and organized to capture value for the business as mentioned in the literature review part. The internal resources of each company were concluded from the answers and based on the four main characteristics of a resource.

3.4 SWOT Analysis

The SWOT analysis consists both internal and external factors. Strengths and weaknesses are related to internal factors, opportunities and threats come from external factors. The factors that were evolved from PESTEL analysis, were analyzed to know whether they would turn into an opportunity or a threat for each case separately. The

factors from the RBV analysis were the internal strengths of each company and the weaknesses were concluded based on the mistakes and the deficiency that each company had.

CASE STUDIES

4.1 Company A

4.1.1 Brief History of Company A

Company A is an Egyptian company that imports products from Jordan and sells them in Egypt. The company works as an agent and a distributor for several cleaning products that are imported from their original factory in Jordan. After the Arab spring the company started distributing other products from different countries and worked as an agent for another product. Company A is located in Cairo, Egypt and has been working since 2008. Company A is considered a small company according to the fact that it has 45 employers. The sales turnover of the company was around 1,500,000 EGP before the Arab spring, 3,000,000 EGP during the Arab spring and reached 18,000,000 EGP in 2018. During and after the Arab spring, Company A started importing new products from different countries.

4.1.2 The Crisis Situation for Company A

The Arab spring that included Egypt had an effect on the country as a whole. The effect that occurred because of the revolution forced the companies in Egypt to stop operating, each business stopped for a different certain amount of time. Company A stopped working completely for two or three days.

The chaos that appeared after former president Hussni Mubarak resigned from his position was the beginning of the crisis for Company A. The chaos made a negative influence of both the future plans of the company and the sales percentage of the company. Any future plans needed to be postponed and the sales percentage faced a sharp decline. The new and main goal for the company was surviving.

The new regulations that were enforced by the government of President Abdel Fattah El-Sisi made an impact on Company A. The political changes that Egypt passed through because of the revolutions had some negative consequences over the economic side of the country. One of the major consequences was the fluctuations in the Egyptian pound, and as Company A imported the products from Jordan, paid for them in USD

and the sold them in EGP, it meant that the changes in the value of the EGP had a heavy effect over its' business.

The new regulations, the EGP currency crisis and the chaos that happened because of the revolution were the main three crises that Company A needed to face. The protests were a way for demanding a new president and ended by successfully changing the president. In addition, the reason for the chaos and alongside the new president came new government and new rules which influenced the economy of Egypt and caused the crisis of the EGP currency.

The EGP crisis caused a big impact over the company because the company was buying products in dollars and selling them in Egyptian pound, which eventually led to a loss whenever the value of the EGP dropped. Thus, the company was forced to re-evaluate each shipment separately as well as reduce the amount of products, stores, and employees while facing with a problem of different prices per month. However, since this was a temporary situation, many stores and customers accepted the solution. The company rejected customers who preferred to pay in installments and focused on customers who accepted to pay cash in advance. In addition, the company seeked a fixed price strategy, so it would study each market to know the appropriate amount that must be provided in order to prevent reducing the price. To cover some of the losses that occurred from the currency crisis, the company studied the market to see which products are the easiest to import and started to import cosmetics. The foundation for selling cosmetics was ready, as the variable costs of the products was the only extra cost.

4.2 Company B

4.2.1 Brief History of Company B

Company B is a Tunisian company, which works in import/export of automation systems sector. It is a family company and has five brands, but this study will only discuss one of them which imports automatic doors for garages. The company imports products mainly from Italy and sells 70% of them in Tunisia and exports 30% of them to Algeria. Company B is located in Tunisia and has been working since 2000.

4.2.2 The Crisis Situation for Company B

Tunisia was the country that started the Arab spring in 2011. Even though it ended with successfully achieving the main goal of revolution which was ending the rule of Zine El Abidine Ben Ali and his family, negative influences on the country, economy, safety and currency were expected to happen.

For many businesses including Company B, importing products had many difficulties because of the royal family. The family of Zine El Abidine Ben Ali was controlling most of the work in the country, especially when they see a company importing a good product, they were importing the same product with obstructing the company's product under the pretext of some problems in customs or normal procedures in order to distribute their product in the country. In 2006, a report by whistleblower Web site WikiLeaks revealed from the United State ambassador to Tunisia explained that 50% or more of the Tunisia's commercial elites were related to Ben Ali and his family through his second wife's ten brothers and sisters, seven siblings and three adult children. This network became known in Tunisia as "the Family". After that, when the other company gets its' product, they will be in trouble because the market is full of the imported product and they cannot distribute it. In this case, many import companies were trying to bribe the customs in order to get their product as soon as possible and sometimes they were paying until 50% of the shipment cost.

Company B had one main product to import, which was the automatic doors, on the other hand it was flexible enough to import other products in case of some problems. According to what is mentioned above, the way the country was ruled made some companies including Company B to look for products that were not attractive for the royal family. Company B did not register the warehouses it owned neither did it advertise the products they sell in order to not get the attention that it was successful. The company owned a whole building for managing the business but only registered one office legally.

Tunisia started facing problems since 2008 which was an indicator for the company that a revolution might happen, based on the that the company opened a branch in China in case the upcoming circumstance leads to leaving the country.

The beginning of the revolutions obligated most companies to stop working. Company B was one of the companies that struggled from the unpleasant circumstances for 6 months. The company was forced to stop importing for 6 months and try to sell the stock that they had, it had a section that imported textile that was stopped because of the revolution. The company postponed any future plans and changed its main goal to survive and achieve the breakeven point.

In the first 6 months of the revolution, the company had a low level of operations and employees were afraid to leave their houses, salaries were paid for employees while they were at their homes without any work. The company had fixed costs in exchange for almost zero income. In order to adapt to the situation in Tunisia, the company laid off some employees, worked in Libya on different tenders, invested the income in their main company and increased the capital. During that period of time, managers were studying the market and searching for new suppliers to deal with. Company B contracted with 8 other different suppliers from different countries such as Germany, Romania and Spain.

After 6 months and when the situation started to get better in Tunisia, Company B started working as a distributer instead of having one supplier it now has 9 suppliers. During the first months, the company had some disagreements with their main supplier and stopped dealing with him. After the company went back to business and was dealing with different suppliers, the main supplier asked them to start working together again. Company B made their own catalog and focused on the products that earn more profits for the company.

The change in the country which was followed by a change in the government for Company B was a turn for a better situation due to the result of applying the rules of the country in contrast with the pervious situation of not having 100% control over any business because of the royal family. New rules were affecting only new companies and for that reason were not a concern for Company B. In the years following the revolution there were many government and president changes in Tunisia which led to many changes in the restrictions of the country and it was a concern for the company to keep up with the changes but it was not a situation that was not adaptable.

As for the currency, Company B was working through tenders, in which they were writing in each contract a section that gives them the ability to change the price automatically when the currency value change. On the other hand for contracts or customers that the company deals with directly and due to the good relationship they have with them, both parties reached an agreement to postpone contracts for one year hoping that the currency would recover, if postponing would harm one of the parties then the contract would be canceled without any penalties. Company B dealt with the currency crisis in the same way with customers as well, as customers would get extra time to pay due to the currency problem.

4.3 Company C

4.3.1. Brief History of Company C

Case C was a Tunisian textile factory. The factory imports materials from an Italian company and then sells the final products to the same company. Company C started operating in 2006 and was shut down due to the Arab spring in 2011, 2 months after the Arab spring started. The factory was located in Sidi Bouzid, which is the city where the Tunisian revolutions started.

4.3.2. The Crisis Situation for Company C

The Arab spring that started in Tunisia began in Sidi Bouzid, the city where Company C was located as mentioned before. For company B, being located in the city that started the revolutions made it harder to face what happened compared to those companies in other cities.

The Tunisian government aimed to encourage both local and foreign investments in Sidi Bouzid and gave a few privileges to any investment in the city as a way of supporting investments. Company C was supported by the Tunisian government during the years prior to the revolutions which was the reason why the company did not have any crisis management plans. After two months of the protests and on account of the chaos that occurred because of the revolutions, the factory was taken by the state employees on the basis that it belongs to the country. The owner of the factory tried to reopen the factory after two years but did not succeed.

Company C imported 100% of its materials and exported the final products to the same company they import from, the company had one supplier who was also their only customer. Since the factory was located in Sidi Bouzid it had some privileges that included paying back 30% of the losses that might occur in the first five years of the business life as well as paying the company's percent of the social security expenses also in the first five years.

The citizens of Sidi Bouzid were kind of aggressive and they have tried to start a revolution one time before in 2004 but it ended safely. The citizens would work under their own conditions and they would cause problems if companies brought employees from other cities, they would cause problems due to small reasons and they would get affected by outside sources. Once the protests started the factory had to reduce the percentage of work, out of 150 employees only 30 were able to come to the factory in the beginning of the revolutions. The guards of the factory were afraid to come to work and for that the owner was obligated to guard the factory by himself beside that the owner had to drive the employees from and to the factory by himself for the first month because transportations were bad.

After two months of the revolution and while the city was in total chaos, the employees in the teachers syndicate that was located in Sidi Bouzid tried to convince the employees in the factory to ask for better salaries and when that did not happen, they took away the keys of the factory. Both importing and exporting companies were suffering from the chaos of the country and the fact that the police station and the court were sat on fire made it harder for the owner to take an action and prevent what was happening. The employees of the teacher syndicate closed the factory and claimed that it belonged to the country and because the government and the laws were changing continually, it was harder for the owner to claim back his factory.

Life started to get back to normal after two years, so the owner saw this as an opportunity to reopen the factory. After that, the owner got the permission and the keys to open the factory, but could not get the employees to work again neither was he able to get employees from other cities. After the revolution, the government gave a new privilege to the citizens of Sidi Bouzid city which stated that they would get salaries without working. Although the salaries that they would get from the factory is higher,

they refused to go back and work and refused that the factory would get workers from other cities.

The revolution that led to the currency crisis would have benefited the factory as it was exporting products if it had continued working or was able to re-operate successfully but it did not get a benefit from that. The city contained two factories and both of those factories closed after the revolution.

Results and Discussion

5.1 Company A

5.1.1 Stages of the Crisis for Company A

Regarding the company, the crisis was not the revolution itself. The three main crises were the aftermath of the revolution, which were characterized by the new restrictions, the EGP currency depreciation and the chaos. I follow the four different crisis phases proposed by Fink (1986), to dissect and explain the company's crisis:

1. Prodromal: The prodromal phase for the company was the beginning of the protests. The protests were a sign for a crisis that was coming, signs are indictors that are usually ignored by companies when in fact they are the first phase of any crisis.

   This stage needed a proactive action which the company did not take. The company did not have a crisis management plan to face such situation. And when the country started getting affected by the Arab spring, the company did not have many choices and was forced to decrease its' sales and had to delay any plans or investments that were planned as a growing strategy. The company was not able to do anything but to fight for survival.

2. Acute: After the country had a new government it also had new rules which caused a real challenge for the company to survive. The interview with the general manager revealed some the following new legislations:

   - A heavy increase of start-up fees for newly established companies. The existing companies had to pay the difference between the old and the new fees.
   - The registration of the original factory (Jordanian Factory) of the imported products. This step-needed a lot of work and documentation.
   - No importing is allowed if the product price was not paid in advance through the Egyptian banks.
   - Prepaid Sales tax was introduced by the new government (6-14%).

- A shipment that contained a product with a defect in the physical side will no longer be accepted. The whole shipment would be rejected.
- Licensing the warehouses that contain the imported inventory.
- A certificate had to be obtained by successfully completing a training course that should be attended by the CEO of all importing companies.

This stage for the company was the beginning of the new laws and the EGP crisis that came as a result of the revolution and the new laws. At this stage, the company started to face the crisis handling each rule separately from the daily work of the company. The main goal of the company was to survive but since those regulations forced many companies to close, it led to less competition. The company increased the working capital because no credit was allowed which also affected the investment in the real estate section. The registering of the factory was not an easy step, but the company was one of the first two to complete it. Hence, allowing them to enter the white list, this excluded them from some rules like paying for the licensing of warehouses or rejecting a shipment if it contained a product with a defect.

When the EGP crisis started and the currency began to lose value, the company started having different prices for each month. The analysis that the company used to do even before the revolution helped to know which product, employee and store made more profits for a long period of time. The company stopped dealing with the stores that refused the different prices and were not profitable according to the analyst. It was a temporary situation and some of them were back after that crisis ended. Another step was to look for new products that were easy to get into the country. After studying the market, they concluded that cosmetics were the right product at the time. The foundation of the new products, the employees, the stores, and the markets were ready. They realized that the only additional cost they would incur was the variable cost of the new product. This allowed them to enter into the new market easily and cover the losses that came as a result of the EGP crisis. After the currency was floated, the company made the prices of their products fixed, and because they did not want different stores to have different prices.

They would monitor the amounts given to each store so that they would not be able to reduce the prices.

3. Chronic: This stage was the beginning of the end, the time where the rules were clear, the currency was floated and the company started to recover from the damage that happened. The country was safer and operations started going back to normal. Sales started to increase, prices were fixed and plans were more realistic at this point. Companies start to analyze what went wrong and what went right to work on their weaknesses and to learn for the upcoming crises.

4. Resolution: This is the last stage where the crisis ends completely. The crisis did not totally end yet for the company because the situation in Egypt is not fully safe or stable. The consequences of the revolution are not gone completely, floating the currency had some bad effects and the currency is not 100% fixed. Some new decisions like raising the prices of oil and electricity are discussed which could be the beginning of a new crisis.

5.1.2 SWOT Analysis for Company A

As mentioned in the literature review part, a SWOT analysis helps companies in knowing what external and internal factors they might be facing. PESTEL analysis shows the external factors that a company should consider and an RBV analysis shows the internal factors that give the company a competitive advantage over competitors.

PESTEL analysis for Company A as shown in figure 7 includes:

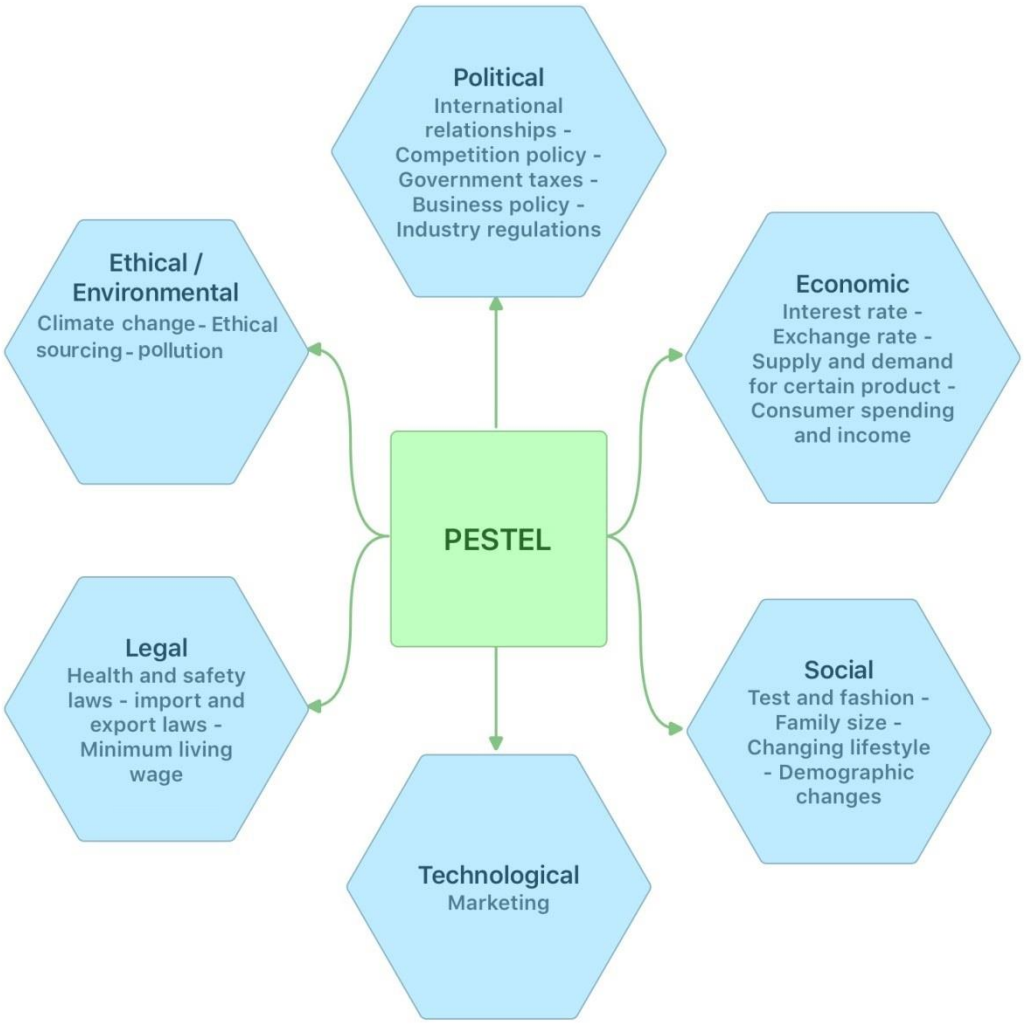

Figure 7: PESTLE analysis for Company A

1. Political:

- International relationships: When the company imports or deals with other companies, the international relationships between the country it is operating in and other countries that it is dealing with is important. For Company A the fact that the relationship between Egypt and Jordan was beneficial helped in supporting those companies dealing with both countries.
- Competition Policy: Different decisions/ laws play a role in the competitors that enter the market or even stay in the market. Less or more competitors is an important factor regarding any business. It affected Company A by reducing the number of competitors during the time of revolution and because of the laws after the revolution.

- Government taxes: The different taxes that the government decides affect the costs of the businesses and might affect the number of competitors. The sales tax that was added by the government meant more cost for Company A.
- Business policies: Business policies that are drawn by the company as a part of its strategy might be affected by different laws of the government of each country. The strategy of the payment method of Company A had to be changed because of the law of payments.
- Industry regulations: Different industries have different regulations, these regulation that are decided by the government affect the businesses and might affect newcomers. All the new laws mentioned above affected the processes of Company A.

2. Economic:

- Interest rates: Investments are affected hugely by the volume of the interest rates of the countries they decide to invest in. The changes in the interest rates affect the number of competitors for Company A.
- Exchange rates: The value of the currency affects the whole economy of a country, and exchange rates are extremely important for companies who deal with different currencies in their business. The drop in the value of EGP affected the prices of the products imported by Company A.
- Supply and demand for the product: Supply and price have a negative relationship where on the other hand, the demand and the price have a positive relationship. When the prices of the products increased for Company A it affected the sales volume negatively.
- Consumer spending and income: Knowing the average income of the population helps in knowing the right prices for the right customers. The decline in the purchase power of the EGP changed the spending of the consumers which also affected the sales volume of Company A negatively.

3. Social:

- Tastes and fashion: Different tastes of people lead to different styles in buying products, the way the product looks like or is used, even the label

which includes different colors are all factors that change the type and size of the costumers.

- Family Size: Bigger families usually means more consumptions which mean more consumers and more sales.
- Changing lifestyle: The different life styles for different people leads to different tastes in buying the products.

4. Technological:

- Marketing: Different ways of marketing is provided because of the continuous change and development in the technology. Having different marketing technics due to the change in technology became a weakness of Company A as it did not follow that change.

5. Ethical/Environmental:

- Climate change: Products that affect the environment or might be affect by the climate might need special treat which usually needs extra costs. Importing cleaning materials needed to be in a certain temperature added extra costs for Company A to provide such equipment during the shipping process.
- Ethical Sourcing: Companies need to make sure that every element and every employee that are used from the first point to the last one in the cycle of the product or service, are all treated ethically.
- Pollution: The products or the cycle of the product plays a role in the environment, being environmentally friendly helps in decreasing the pollution and sometimes could be taken as a marketing strategy. Being environmentally friendly could have been an opportunity for Company A to gain some new customers which it did not take an advantage from.

6. Legal:

- Health and safety laws: Health and safety laws regarding both the employees and the products affect the business. Laws for different products or certain

regulations while dealing with certain products as well as laws regarding the warehouses are laws that needs to be taken into consideration by companies.

- Import and export laws: Companies that has importing or exporting actions in their business are always affected by the new laws of the government regarding importing and exporting. For Company A, all of the above mentioned laws affected their operation and business.
- Minimum living wage: Knowing the minimum wages of the people living in a certain country helps in setting the prices and knowing what kind of products should be provided. It helps in knowing if luxuries products fit this market or not.

A Resource Based View analysis for Company A as shown in Figure 8 includes:

1- An adequate employee management: The relationship between the employees themselves and between the employees and the manager is excellent which helps in guiding the employees to achieving the goals of the company as well as overcoming the obstacles of the business.

2- Good Brand Reputation: This brand has a good reputation because of the quality of the products and the relationship between the both the customers and the consumers with the company.

3- Excellent relationship with the customers: The relationship between both the customers and the consumers is very important and is very beneficial when it becomes a long term relationship, because it helps in increasing the sales and profits and getting a better brand reputation.

4- Knowledge: The knowledge and the experience of the manager of the company plays a huge role in achieving the goals, in getting a competitive advantage over the competitors and in increasing the chances for benefiting from the opportunities and avoiding or turning the threats into opportunities.

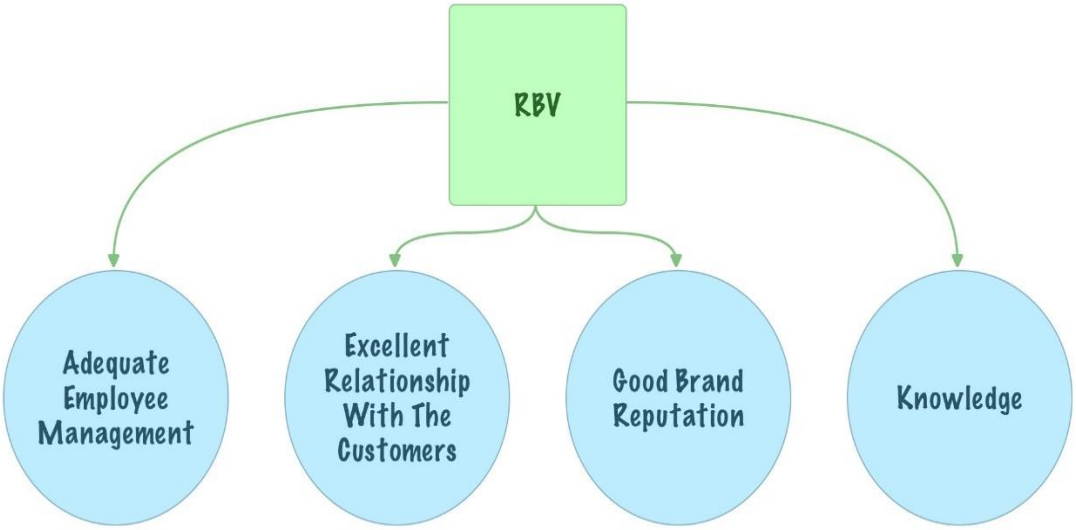

Figure 8: RBV for Company A

According to the PESTL analysis and the RBV analysis for Company A, SWOT analysis as shown in figure 9 includes:

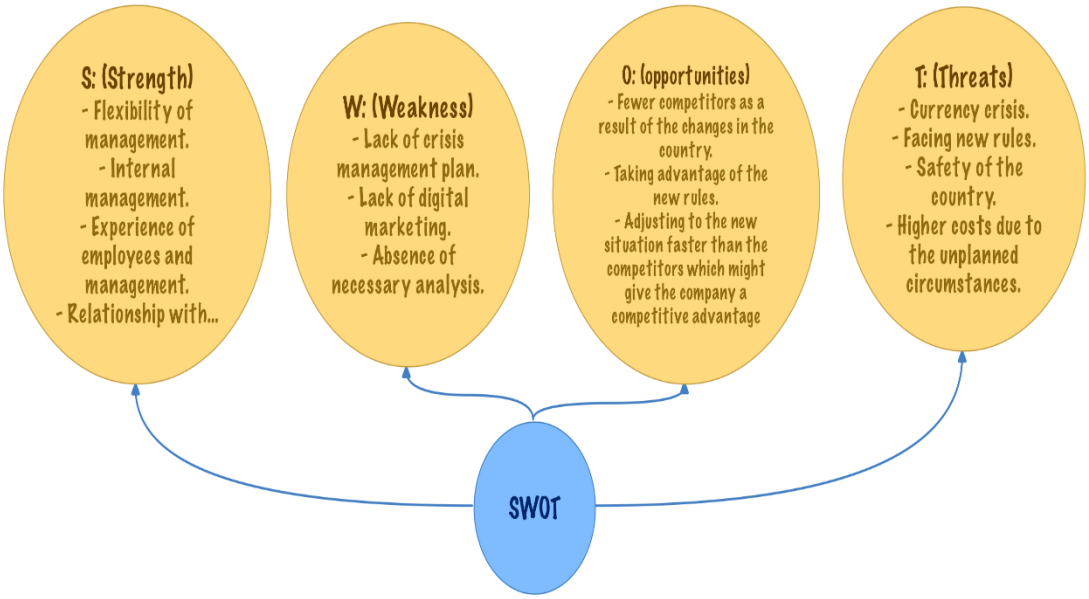

Figure 9: SWOT analysis for Company A

- Strengths:
  - Flexibility of management: The fast change of the business strategy that was shown during and after the crisis was a sign on a high level of flexibility in the business strategy of the company.

- Internal Management: The relationship between the management and the employees, customers and suppliers indicate a well-designed internal management.
- Experience of Employees and Management: The reactions to new restrictions and knowing how to deal with outside laws proves the professionality of both management and employees.
- Relationship with Customers: The acceptance of the customers for the price changing comes from a long term relationship with the company.

- Weaknesses:
  - Lack of Crisis Management Plans: Even after some warnings the company did not have or prepare a crisis management plan to deal with upcoming crises.
  - Lack of Digital Marketing: Marketing the products was not one of the main issues that the company focused on.
  - Absence of Necessary Analysis: SWOT and PESTEL analysis would have helped the company in predicting the crises that might need a prepared plan to face.

- Opportunities:
  - Fewer Competitors as a result of the change in the country.
  - Taking advantages of the new rules: The new restrictions that might come from changes in the government or president could be seen as both threats and opportunities based on the way the company takes advantage from.
  - Adjusting to the new situation faster than competitors which might give the company a competitive advantage.

- Threats:
  - Currency crisis: As the company deals with two currencies, any drop in the value of the EGP is a problem for the company.
  - Facing new rules: If new rules were not understood and obeyed in the right way, they could turn into a threat.

- Safety of the country: The safety of the country affects the operating level of the company.
- Higher costs: Because of new laws, the company might get more costs that were not planned to follow any new restriction by the country.

When we analyze the crisis in Company A, we can notice that there was no pre-crisis stage. The crisis was noticed in the acute stage and managed with reactions toward the crises. They were flexible enough to react to each problem immediately and they were successful in separating the crisis from the daily work they were doing. When the circumstances showed that it is better to remain stable, they took a chance in bringing new products into the market. To have a new product was a positive step which helped in the years after the revolution as well, but the investment in the real estates was not the right decision at the time. The company had a clear goal which was to continue in their business and did all that was needed by the producers to reach that goal. Adjusting to the new restrictions helped the company by being on the white list which was a solution for more than one problem and gave the company the opportunity to think about future plans and investments that were put on hold due to the previous circumstances.

If a SWOT analysis was done it would have showed that the main strength was the flexibility of the manager. The main weakness of the company was that they neither foresaw nor prepared for the future eventualities or crisis. The opportunities were adjusting to the new regulations very faster than their competitors which gave them a competitive advantage. However, the new regulations coupled with the fluctuation in the currency and the security problems in the country could be seen as a threat. Preparing the analysis before the crises could have helped in knowing what factors might affect the business and which ones need the priority to deal and how to react on, knowing all that would have helped in reducing the extra costs and time that occurred because of the unplanned crises.

In the end, the risks they took were beneficial in the long run and made the company gain profits in the years following the revolution. The manager was flexible and had a strategic way of managing which helped not only in surviving but also in getting what happened to be the start of something new and to have it as an advantage

which led to more profits in the years following the crisis than the years before the crisis.

5.2 Company B

5.2.1 Stages of the Crisis for Company B

According to Fink (1986), I will follow the four different crisis phases for Company B in order to demonstrate the company's crisis:

1. Prodromal: The prodromal stage for Company B started since 2008, the company started noticing problems caused former president and his family and anticipated a revolution. The size and period of the revolution were bigger and longer than what was expected but based on that anticipation Company B opened a branch in China to avoid closing the company totally in case of a revolution.

   Having no advertisement and not registering the offices or the warehouses are all proactive actions for getting the business to last and grow as much as possible. Looking for products that will not get the attention is also a proactive action. Regarding the Arab spring Company B made a decision to have a branch in another country in order to not get affected by the coming crisis which was expected by several problems involving economic problems.

2. Acute: The start of the damages for Company B was the start of the actual Arab spring in late 2010. The first 6 months where the operations of the company stopped and caused costs with not returns was the point where damages started to appear and become noticeable.

   In this phase, Company B had several reactive actions. The bad circumstances of the country forced the company to quit importing and limited the level of sales. In order for Company B to not stop the business it started working in Libya and financing the company through those profits. Company B also reduced fixed costs, analyzed the market and gained eight new suppliers. Company B switched to being a distributer company to gain the power over only one supplier and decided on the products that gain more profits. The

currency crisis and the new governments were not a crisis for Company B, as new rules only included new companies and their good relationship with the suppliers helped overcoming the currency crisis.

3. Chronic: Company B started recovering after 6 months of the Arab spring, although the situation of the country did not go back to normal, Company B started operating and working with the new 8 suppliers, it changed to become a distributer and benefited from having several choices. During the crisis Company B had a problem with the main supplier and terminated the contract which could have caused ending the life of the company. After the challenging time ended Company B learnt and switched to a stronger strategy in business. After Company B became a distributer and gained more suppliers, their former supplier requested for them to work together again.

4. Resolution: The crisis of the Arab spring and the consequences of what happened as well as the aftermaths that influenced Company B ended completely in the year 2013. The situation in Tunisia improved which was reflected on the business on the company mainly by having clear regulations that needed to be followed.

5.2.2 SWOT analysis for Company B

PESTEL analysis for Company B as shown in figure 10 includes:

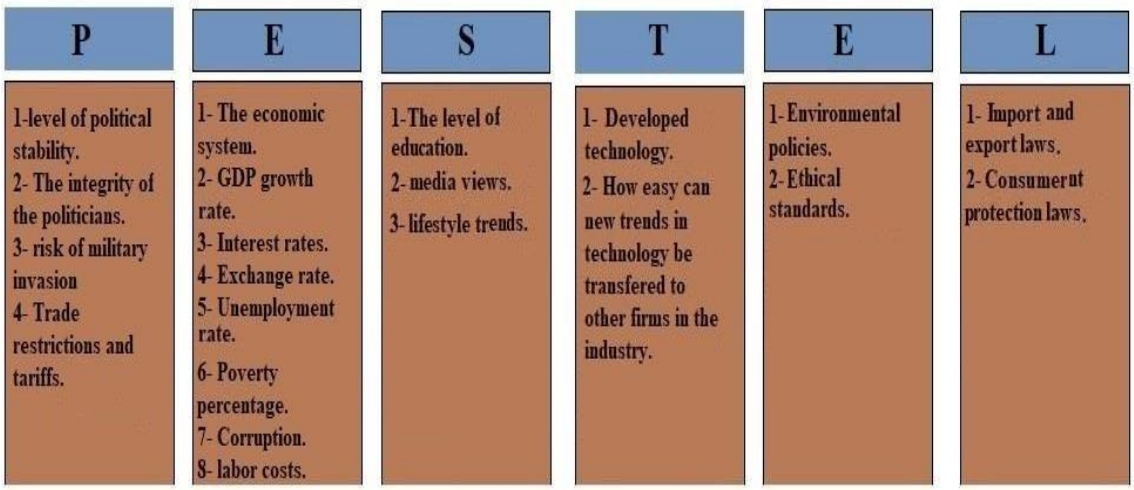

Figure 10: PESTEL analysis for Company B

1. Political:

- Level of political stability: How stable was the country in the recent years. Being an instable country affected the business of Company B by forcing it to stop operating along with other companies.
- The integrity of the politicians: If and how much does the politicians take part in acts of corruption, and if it may lead to resignations of high level government employees. Company B had extra costs because of having to pay illegal money to employees to get their products into Tunisia.
- The risk of military invasion: How much is the safety level in the country and if a revolution might start by the military.
- Trade restrictions and tariffs. The trade restrictions in Tunisia were due to the high level of corruption which made hard for Company B to operate and choose the type of products they can import.

2. Economic:

- The economic system: whether it is a monopoly, an oligopoly, or something similar to a perfect competition economic system. Since the economic system was controlled by Zine El Abidine and his family, it affected the way Company B runned their business.
- GDP growth rate.
- Interest rates: as interest rates might affect how much individuals are willing to borrow and invest. As mentioned in Company A, the interest rates plays a role in the number of investments and possible competitors.
- Exchange rate. Because Company B had contracts that included a section to solve the problem of any future change in the value of the TND, it was not affected as much as other companies.
- Unemployment rate: Higher levels of unemployment means that the supply of jobs is greater that the demand for them, which might cause a willingness for working for lower wages which decreases the costs.
- Poverty percentage: An increase in the poverty percentage leads to less spending on products and less sales.

- Corruption: The increase level of corruption might cause extra costs as it did for Company B.
- Labor costs: More costs for a business means less profits.

3. Social:

- The level of education: The differences in educational background between the marketers and the target market may make it difficult to relate to and draw in the target market effectively.
- Media views: The media played a huge role in the Arab spring in general and in what happened in Tunisia specially, people who did not participate in the protests had the media as a main source for knowing what is happening which was not always accurate. The inaccurate news affected the citizens of Tunisia and was one of the reasons for the decline volume of the sales and operations for Company B.
- Lifestyle trends: Whether customers think about a product as it is a luxury or a necessary product affect the level of sales of a company. For Company B even though their products did not fulfill the physiological needs, it can be advertised as it helped with the safety needs.

4. Technology:

- Developed technology: As technology developed and Company B became a distributer, it gave it the power to choose the better product to promote for.
- How easy can new trends in technology be transferred to other firms: leading to other firms copying the technological processes features.

5. Environment/Ethical:

- Environmental policies: To have products or procedures that are environmentally friendly is an opportunity that Company B could have followed as a strategy.
- Ethical standards: Being an ethical company and having ethical procedures when dealing with employees, customers and suppliers is a responsibility that

the company has to take into consideration. Which was reflected when Company B paid salaries for employees even when they were not working.

6. Legal:

- Import and Export laws: Company B did not follow the laws of import and export before the revolution because of the way Tunisia was ruled. After the revolution, regulations needed to be followed in order to continue working.
- Consumer protection laws: Having contracts that protect both suppliers and customers when a currency crisis occurs protected both Company B and everyone it dealt with.

A Resource Based View analysis for Company B as shown in figure 11 includes:

1. Elastic business strategy: Switching from having one supplier to being distributes shows that the company had a competitive advantage over competitors to continue operating in an unstable environment and that it is not weak because of giving the power only to one supplier.
2. Well-founded relationship with customers.
3. Reasonable level of prediction: Predicting a problem and opening an office in china helped in not having the fear of closing.
4. High level of awareness regarding the regulations of Tunisia: Company B knew how to promote and operate their business without having major problems due to the corruption of the country.

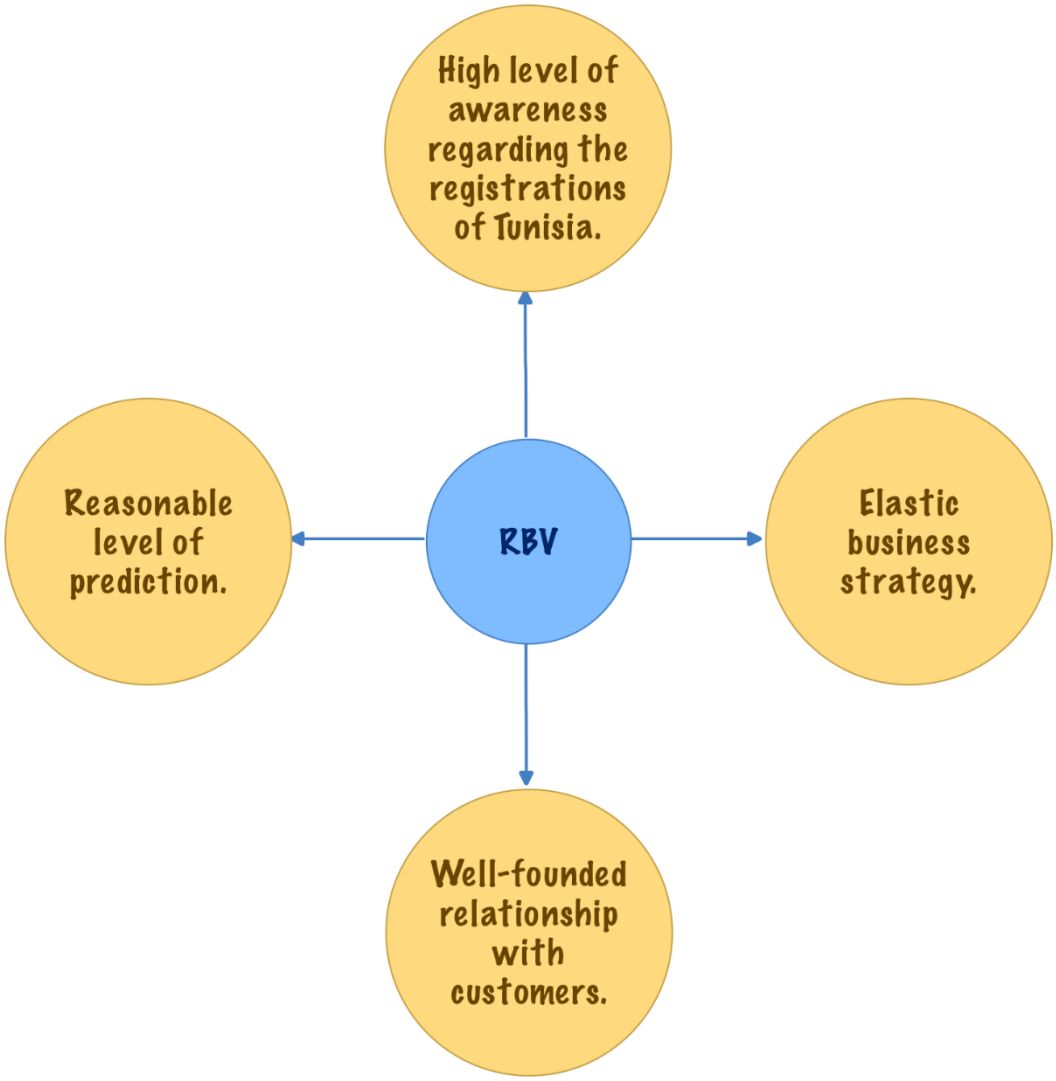

Figure 11: RBV analysis for Company B

According to the PESTL analysis and the RBV analysis for Company B, SWOT analysis as shown in figure 9 includes:

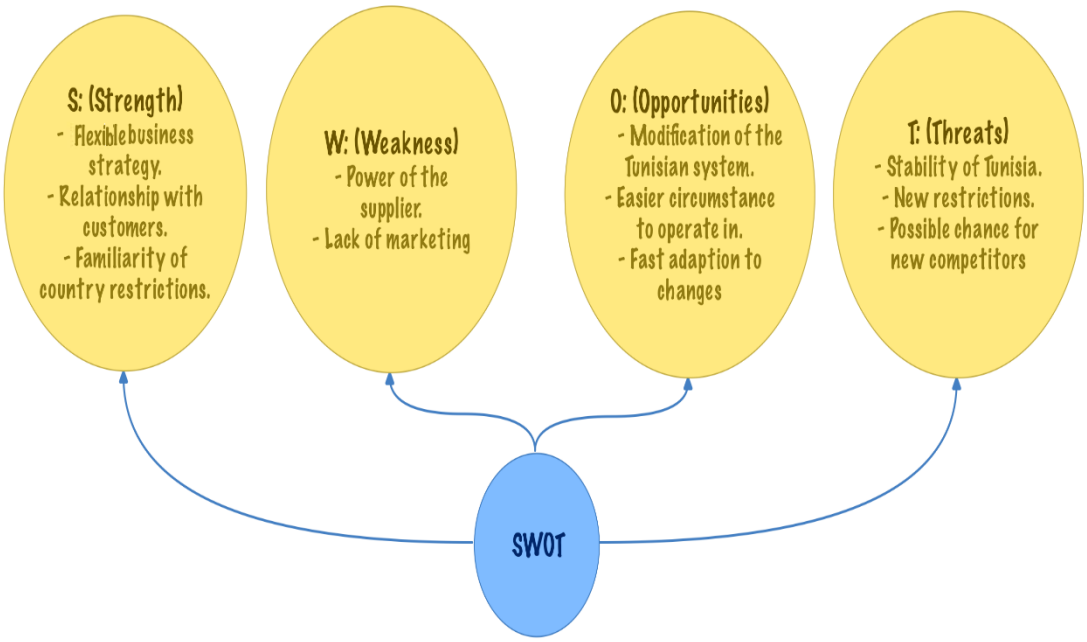

Figure 12: SWOT analysis for Company B

- Strengths:
  - Flexible business strategy: As it was mentioned before, the company changed their strategy and became a distributor to adapt to the changes in Tunisia.
  - Relationship with customers.
  - Familiarity of country restrictions.
- Weaknesses:
  - Power of supplier: To give the power of the business to one supplier or one customer is considered a weakness even if the company was able to overcome that weakness.
  - Lack of marketing.
- Opportunities:
  - Modification of the Tunisian system: As mentioned in case A, the adjustments in a country could be seen as both threats and opportunities according to how the company adapts to them.
  - Easier circumstance to operate: Having laws that are clear makes it easier for companies to operate in a country.

- Fast adaption to changes: When other companies don't know how to respond to changes, it becomes a chance for those who adapt fast and gives them an advantage.

- Threats:
  - Stability of Tunisia: The safety of the country plays a huge role in the operating process to take place.
  - New restrictions.
  - Possible chances for new competitors: Having clearer and easier laws or reducing the obstacles opens the chance for new competitors to enter the market.

When we break down the crisis in Company B, we can notice that there was a pre-crisis stage and the company did have a back-up plan according to the prediction of the crises that might come up. The warnings were taken into consideration and even though the situation in Tunisia did not lead to a total shut down for the company, they did benefit from having another office and knowing that there is a solution if something bigger would have occurred. The crisis was noticed in the prodromal stage and was handled during the acute stage by not allowing the only supplier to have the power over the company. Planning for future deals and analyzing the market during the acute stage helped the company to overcome any obstacles and increased their chance in becoming better than they were before the crises. Knowing how to deal with what happened and being flexible enough to switch to distributers gave the company the power over their suppliers, they had the control over which products to focus on more and to choose the ones that gets them more profits. Having a competitive advantage over their main competitor and owning more suppliers was the reason why their main competitor left the market and their first main supplier asking to work with them again.

The familiarity and the experience that Company B had of the conditions that Tunisia was facing before the revolution helped them in gaining profits without having to deal with problems. And when the circumstances showed that it is better to remain stable or for some companies to shut down completely, Company B took a chance in bringing new products into the market and dealing with new companies. The company had a clear goal and saw the revolution as a temporary situation and as a start-up point

to benefit from especially when it was a reason for ending the life of others. Having new government was seen as an opportunity for the company to have a clear guideline to follow, it was a chance for them to get their rights legally in contrast with what was before the revolution.

According to the SWOT analysis the main strength was the flexibility of the business strategy the company had. The main weakness of the company was that they were not able to advertise their products properly. The opportunities were the better circumstance that Tunisia was in after the changes that happened and adjusting to the new regulations faster than competitors could give them a competitive advantage. On the other hand, the easier conditions was an opportunity for others to enter the market. Knowing what factors might turn into threats before the crises helped in reducing the extra costs and time that occurred because of the unplanned crises as well as being able to switch the turning point into a better situation.

Eventually, the risks they took and the changes they did were beneficial in the long run and helped in starting a new strategy and gaining more profits. Also, it have more chances and gaining diverse choices which earned the company a power and a competitive advantage.

5.3 Company C

5.3.1 Stages of the Crisis for Company C

As it was mentioned before, a crisis does not always pass through the whole four phases as it was for Company C. To explain the stages of the crisis for Company C I follow three of the four phases presented by Fink (1986):

1. Prodromal Stage: The warnings of the crisis that Company C faced were the several problems that occurred in Sidi Bouzid city. The first protests in 2004 which were ignored by the owner, showed that citizens in Tunisia are facing huge problems and citizens in Sidi Bouzid started opposing those problems.

2. Acute Stage: The damages started and appeared for Company C as the protests started due to the fact that the protests started in the same city the factory was located in. The protests forced the factory to reduce the level of

operation in the beginning and after the chaos that happened it led to the shutdown of the factory completely. The end of the revolution was a chance for the factory to start working again but because of the location of the factory the chances of operating again were non-existence.

3. Resolution Stage: Company C did not go through stage number three, as it went from the warnings to the actual damage to closing the factory. The end of the crisis was at the same time the end of the factory. For Company C and due to the circumstances of the revolution, the damages ended together with the life of the factory. The end of the revolution and the possibility of opening the factory again could have been the end of the crisis if the factory succeeded in operating again.

5.3.2 SWOT Analysis for Company C

The PESTEL analysis for Company C is shown in figure 13.

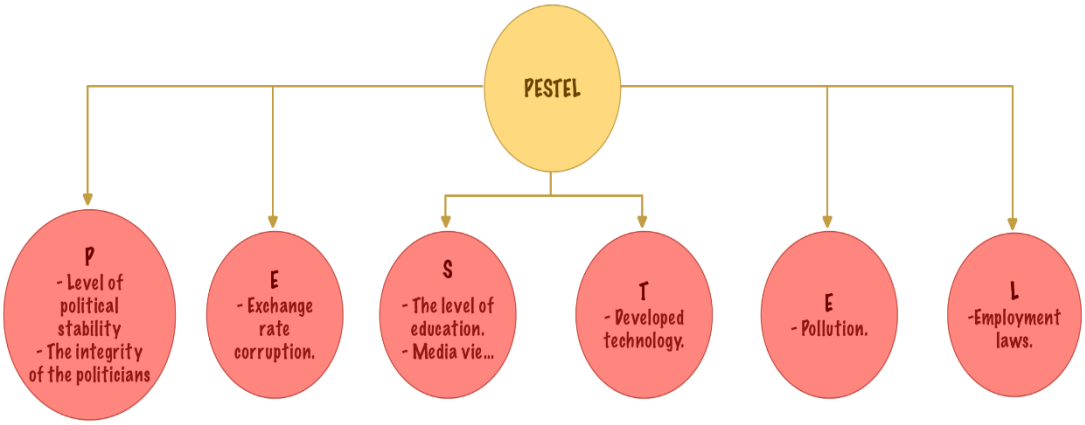

Figure 13: PESTEL analysis for Company C

1. Political:

- Level of political stability: Having an unstable country was one of the main reasons that led to chaos and caused the closing of Company C.
- The integrity of the politicians: The absence of this factor led to the revolution in Tunisia and caused the end of many businesses including Company C.

2. Economic:

- Exchange rate: The drop of the TND could have been an opportunity for Company C if it continued operating.
- Corruption: As mentioned before, the corruption and the chaos that occurred in Tunisia decreased the chances for Company C to survive.

3. Social:

- The level of education: The low level of education in the city Company C was located was one of the reasons for why the citizens of that city usually start problems.
- Media views: As mentioned in Case B, the media played a role in extending the bad events of the revolutions.

4. Technology:

- Developed technology: Company C could have benefited from the development of technology in their machines if the company continued operating.

5. Environment/Ethical:

- Pollution: Having a factory is usually harmful for the environment, being protective for the environment could have been a strategy that the company should follow.

6. Legal:

- Employment laws: The new law by the government that gave all the employees salaries without having to work made a negative influence of Company C.

A Resource Based View analysis for Company C as shown in figure 14 includes:

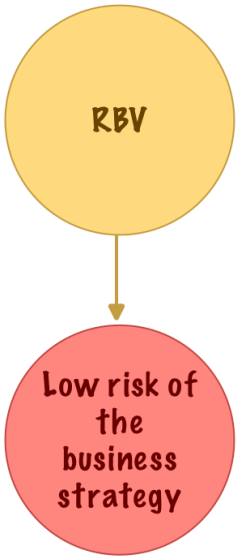

Figure 14: RBV analysis for Company C

1. Low risk according to the business strategy: Having to work with and for one source eliminates the risk that comes from having to deal with different customers, markets or suppliers. This strategy gives the power to the main source but it also benefited Company C as it was the only factory for the brand which gave them the chance to continue working after two years but could not because of the circumstance of Tunisia.

According to the PESTEL analysis and the RBV analysis for Company C, SWOT analysis as shown in Figure 15 includes:

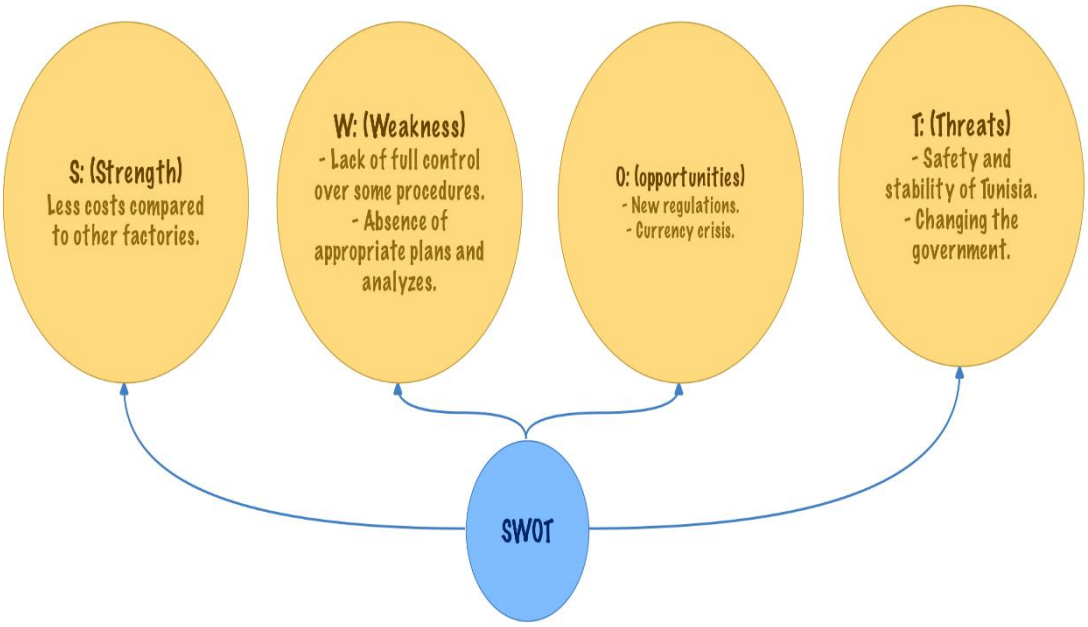

Figure 15: SWOT analysis for Company C

- Strengths:
  - Low risk: As it was mentioned before, having to deal with one source could be considered both as a strength and a threat or weakness, as long as the relationship between the company and that source is valid, other risks are eliminated. On the other hand, it gives all the power to that one source.
  - Less costs compared to other factories: Due to the privileges that the company had, some costs were excluded.
- Weaknesses:
  - Absence of appropriate plans and analyzes: The Company did not prepare any appropriate analysis that would show the factors that might become threats that lead to closing the business.
  - Lack of full control over some procedures: Although the employees were loyal, they had control over the city and would forbid getting other employees from other cities.

- Opportunities:
  - New regulations: New laws might include more privileges or new ones in different cities.
  - Currency crisis: Because the company would sell the products and get paid in Euro and cover the expenses in Tunisian dinar, a decline in the value of the TND is beneficial for the company.
- Threats:
  - Safety and stability of Tunisia: The revolutions had an effect on most of the companies operating in Tunisia and because they started from the city that the factory was located in, it had a bigger influence of it than those operating in different cities. The chaos was the reason for the reduced level of operation in the beginning and the closing of the factory after and could have been a reason for the main supplier/customer to refuse dealing with the factory.
  - Changing the government: Having different government would mean different laws that could have taken away all the privileges that they had and having new rules that for the citizens of the city meant that there is need for them to work anymore.

After expounding Company C, we can notice that because the manager knew that investment in Sidi Bouzid were supported by the government there was no need to have a pre-crisis plan. However, the warnings that happened a few years before the Arab spring and the fact that the citizens did seem to have big issues that might lead to a revolution, a plan was not prepared nor a guideline was ready to face such problem. The first stage of the crisis was ignored completely and there was no flexibility in dealing with the unexpected circumstances.

The crisis was noticed in the acute stage and since there was a lack of planning or flexibility it was too late to reduce the costs and try to survive or to turn it into an opportunity. The citizens of Sidi Bouzid s well as the chaos that happened after the revolution, were the main two reasons for closing the factory.

If the warnings were taken into consideration a new factory should have been opened in a different city. The change of the government, the more stable environment

and the decrease in the level of corruption would have helped in having another factory in a more stable city. The extra costs that could have occurred because of the lack of privileges in a different city could have been covered by the supplier in order for the products to continue being manufactured. The currency crisis could also have covered the costs that are no longer covered by the government.

The privileges that came from the previous government should have been seen as a threat as the government could be changed, which was the real case. New privileges that were given to the citizens were a main threat for the factory and was the reason why employees stopped working and would not allow others to work in their city. The factory had many mistakes and most of them could be summarized in the lack of power and control over both internal and external factors.

The SWOT analysis shows that the main strength was the elimination of various risks that come from different suppliers, customers or markets. The main weakness of the company was that they did not have full control over the business internal procedures. The opportunities were the better circumstance that Tunisia was in after the changes that happened. Furthermore, the new regulations in that city was the reason for closing the factory. If an analysis was prepared before the crises it would have helped in knowing what factors might affect the business and which ones need the priority to deal and how to react on, knowing all that might have helped in increasing the chances of survival and maybe in switching the threats into opportunities.

At last, the absence of both preparation and long-term view cost the manager the loss of the factory. The manager did not have the right proactive actions nor did he have the right skills for reacting to what is happening while it is happening.

CONCLUSION

6.1 Overall Conclusion

Arab spring had an effect on the political and economical sides of many countries, those effects also extended to countries that did not have a revolution. The safety, currency value, import and export trades were factors that were influenced by the Arab spring and caused various crises in businesses and companies. These crises made some companies close. However, it made other companies reach their peak. At that time, managers were responsible for finding the right decisions and solutions for these crises, and understanding the consequences of possible mistakes. Managers of an Egyptian and two Tunisian companies were interviewed to understand the way that crisis management was done and how it ended.

In this research, the right practices of two companies that were affected by the Arab spring were explored as well as the wrong practices that were the reason for closing the third company. The new government, the currency crisis and the revolution itself were problems needed to be addressed by the companies. The lack of proactive actions and the absence of doing a SWOT analysis was the main weaknesses for Company A and C. Company B did not have sufficient analysis, but it had some proactive actions according to their predictions. If SWOT analyses were made at the prodromal stage, Company C could have got a chance to keep operating, and Company A could have bettered its financial situation, reduced its cost and satisfy its customers. On the other hand the possession of the right management skills to take the right reactions helped both A and B companies in passing through the crises and increasing their profits during a time when their main competitors were having losses or shutting down completely.

The response time to the crises for all the cases was a critical point. If Company A did not respond quickly it would not have entered the white list. For Company B, they studied the market and made new contracts when everyone else postponed future plans and actions. Company C missed the right time to make a reaction and for that had to close completely.

The ability to be consistent and to have a clear vision were the keys to achieving success in such tough times. Having a backup plan and knowing the factors that might affect the business increases the chances of turning a threat into an opportunity and even when a complete plan for dealing with upcoming situations is missing, having the right skills to deal with the crisis in the acute stage raises the percentage of turning a negative situation into a positive one. A plan should always be prepared and is as important as having a manager that is flexible enough to handle different situations, as some situations occur due to external reasons that are not expected by the company. This study showed the importance of crisis management for surviving and for getting the best outcomes out of a crisis and proved that as much as a prepared plan is necessary, it is also important to have the flexibility to adjust to the different circumstances faced by the companies.

From the three case studies and according to the literature review on the crisis management part, a few lessons are learnt. Appropriate analyses are necessary and should be done before a crisis begins. Warnings should not be ignored, because having a plan with actions is always better than reacting to a crisis in its' second stage. The timing of the analyses as well as the plans and reactions or actions is a very sensitive factor and at some cases could be more important than the action itself. The time when an external factor forces a business to decrease the value of operating could be seen as a time for studying and planning for future steps. Sometimes taking a calculated risk in a time where others are only trying to survive could be the way of gaining a competitive advantage. Knowing the internal factors that could be seen as a strength or a weakness as well as the external factors that could turn to an opportunity or a threat are step one for any manager to have a strategic plan. The plans and guidelines for dealing with different crises do not erase the fact that the manager himself plays a huge and important role that might sometimes be the reason for the success or failure of the crisis.

6.2 Comparison with Previous Studies

According to İyigün & Yalçıntaş (2018), the impact of the civil war of Syria, which was a result of the Arab spring, was a low probability event that was not expected by the managers of many companies which explains the absence of a crisis management plan. On the other hand that effect was a high-impact event which threatened the

survival of those companies. In contrast with the pervious study, this study shows that even though both the probability and the impact of the crisis were high, the companies did not prepare a full strategy to deal with the crisis. This shows that managers ignore the warnings of a crisis and wait for the acute stage to make a decision.

Another study that was done by Grundy & Moxon (2013), refers to the relationship between crisis management and brand management. This study showed how reacting to each crisis by managers for the British airways affect the brand of the company. Having the right manager and the right skills along with a crisis management plan could turn a threat into an opportunity and increase the value of the brand as shown in the study. In compliance with the previous study, this study also focused on certain situation and how crisis management has a role in responding to those different crises. On the other hand it measured the importance of crisis management by the survival of the companies instead of the value of the brand.

A study by Heller & Darling (2012), was similar to this study as it focused on a case study and explained the different stages of the crisis. Both of the studies showed the importance of the response time and how it can decrease or increase the chances of turning a threat into an opportunity. The difference between the two studies was the reason of the crises, as for the previous study, the reasons for the crisis were internal factors from within the company. This study was based on external factors that had nothing to do with the internal factors of any company.

Most studies related to the Arab spring would discuss political issues, reasons for the Arab spring or would focus of the difference between the countries that were affected by the Arab spring. Some studies showed how the Arab spring affected the financial market of the related countries. There was no study related to the Arab spring that was similar to this study or focused of the effects of the Arab spring over some companies. This study was different from other studies related to the Arab spring as it combined both the political effects and explained how the Arab spring affected different companies.

6.3 Suggestions for Future Studies

The study does not take into consideration the volume of the studied company, number of employees, equity capital or what is the field of company such as it is producer export or import company, so I suggest to study big companies in Egypt and Tunisia and how did they handled the situation. In addition, other factors could be added to the study like leadership or organizational behavior. One limitation of case studies is that the outcomes cannot be generalized, for that the number of companies could be raised and narrowed to one sector.

Also for future studies, I suggest to introduce and discuss the crisis management of companies in Syria, Libya or Yemen because these countries had revolution that converted to civilian war taking into consideration that a lot of companies does not close during the war.

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Appendix

Company A: Interview with the general manager of the company.

1- Does the company have any procedures to face certain unexpected situations? (If yes, like what?)
We don't have a crisis management team or specific plans but we have strategies that might help us in cases of work problems. From the beginning our sales was 20% for retail stores and 80% for chain stores, even though our profits were more from the retail stores, we had to enter the chain for more Stability. We tried not to focus on one customer and to have a plan B in case something happened. We were flexible enough to get another product in case something wrong happened to our main one, which is a step we had to take when the crisis happened.

2- Did you see any warnings before the Arab spring reached Egypt? (If yes, what?)
No I didn't see any warnings before the Arab spring happened nor before it reached Egypt. I was not expecting that. It happened suddenly and quickly.

3- Did you think it would affect your business? (If yes/How?)
After the success of the revolution, there was a planned chaos in the country, according to that chaos I saw the signs that this chaos might affect the business. It would affect the whole country, from a political side that would have an effect on the safety of the country and cause an unstable life conditions. This instability will affect the business.

4- What kind of proactive actions were taken (If any) to face it?
Just in case that chaos is going to lead for less safety in the country, I had guards to look out for the inventory that we had in our stocks. And I reduced the goods that we had in the markets. Because we have not yet received the payments for those goods and if anything would happen to them, it will be our loss.

5- When the Arab spring reached Egypt, was it a crisis for your business? (If yes/Why?)
No, the beginning of it was not a big crisis for our business, in the beginning the whole country was shut down for almost a week and after about one month things were getting

back to normal. Our company was one of the few companies that closed totally for only 2 or 3 days. Our sales stopped for only one week. After that we started to work again but slowly, we reduced our sales to fit the needs and capability of the situation.
The real crisis for our business was the new rules that came from the new government and the
fluctuation of the currency, this part came as a result of the Arab spring. But The Arab spring by itself was not a crisis for our business.

6- When did it start to affect the business?
After president Hussni left his position in about one month, we started to notice that the country which is now ruled by the military is falling apart. It seemed like it was lead to go in a purposed chaos.

7- What aspects of the business did it affect? How?
The revolution that happened caused a change in the life style of the citizens of the country. This change that was followed by an unstable life in general caused an instability in our business. People were not living as they were before, their priorities were different. Adding to the fact that our sales were reduced, our plans for the future which included opening a factory and adding new products had to be postponed for a while. Any kind of an investment we had in mind to grow our business had to be paused. The main goal at that point was to pass through what happened. There was no room for new ideas. We studied the market and saw that the commercial business is affected a lot and this might lead to a loss, so we turned to real estates. We bought some real estates with the money that was coming from selling our products and had those as a grantee. The fact that the country was not 100% safe reduced the prices for the real estates.

8- What were the actions taken to handle them? Why?
From the new governments' point of view, the crisis for the EGP could be solved by keeping as much dollars in the country as they can. This procedure includes making it difficult to import.
1- Increasing the fees that had to be paid to the country to start a business, which also included those that were already started and had paid this amount before. We had to pay

200,000 EGP to be allowed to continue our business. For lots of companies, especially the small and medium ones, this was a step that they refused to do and had to shut down. For me the fact that those refused to do it made it an opportunity, fewer competitors will last after that decision.

We paid that amount without knowing what the next decision might be. But at that point, my goal was to keep my business going.

2- The registration of the original factory of the imported products. This step had a lot of steps and certain papers to be provided. It was not easy nor was the government overlooking some mistakes. If any document was missing, the whole registration would be refused. The fact that our products were from Jordan and the relationship was not bad between Egypt and Jordan was in our favor. We were not closed yet and we were one of the first two companies to register their factories. Having all the documents ready and really fast gave us an advantage over those who delayed this step.

3- No importing is allowed if the money was not paid in advance through the Egyptian banks. This law was not there before, and having a deal with suppliers to pay after a certain time would give companies the ability to invest in that money and make a profit. No credit was allowed anymore. The country that has no dollar in it was forcing us to pay the amounts needed for other parties to allow us to import. This step affected every company relaying on other investments, it made harder for us to pay for our real estate investment, and adding to that fact that there was no dollars available in the country to begin with. We had inventories in our stocks that we paid for and we will get those payments back in 3-6 months. It was a big problem but we increased the work capital of the company in order to survive this decision.

4- Before the new government that sales tax was zero. One of those decisions was to have a sales tax which was paid in advance and was from 6-14% according to the products.

5- There was a producer that any product that has a defect in the physical side would be put on hold for a week. This producer was no longer there, any defect on any product will lead to refusing to enter that shipment. Adding to that, all the shipping trucks will be checked, this also didn’t exist before the new rules. This decision means that stocks will be held in customs and a fee will be paid for each day it’s there.

6- Licensing the stores. To have a store that is licensed needed lots of work. So a business was created through people who had stores ready to get licensed and were

selling the license to other companies. We already had our own stores, so for us this was an extra cost for no benefit. But according to the previous decisions, we were one of the few who did whatever it takes to stay in the business which lead to a good reputation in Egypt and for a good relationship with those applying these new rules. Through those relationships we found that in the law there is something called a (White list) and because we committed to all the demands they asked for and really fast we were able to be on that white list. Being on that list meant that we don't need to buy a store license anymore nor that all our trucks will be checked and held in customs.

7- Each importing company should enter a course and have a certificate in the end to be able to continue working in importing. The course should be attended by the CEO of the company.

9- Do you think that there is a link between the exchange rate crisis and the Arab spring? (If yes, How?)

Of course I do. The chaos that happened because of the Arab spring lead to a bad economy and the new rules that was taken by the new government made an influence on the currency. I believe that the currency crisis would have not occurred if the revolutions have not happened in Egypt.

10- Was the EGP currency crisis a crisis for you? (If yes, Why?)

Yes it was. We buy the products is dollars, evaluate them to see how much they worth in EGP, add our percentage of profits to reach the selling price. When we buy those products on a price that is 1$ for example and each 1$ = 7EGP, we sell for 10 EGP, until the time comes that we received the payments for those products, the 1$ is now equal to 10EGP, which would lead to a net loss. This fluctuation in the currency lead many companies to close their business after suffering from huge losses.

11- What solutions were there to consider?

Once we get our first shipment it will be evaluated and priced according to the exchange rate of the same period, the next shipment will be priced according to a different exchange rate, which lead to a different price almost every month. This lead to some problems with the stores that we dealt with. But an analysis that we used to do even before the crisis hit, was one related to each store, each product and each sales

employee we had, some products and stores were let go. The stores that refused this system were no longer in our business and the products that were not having profits were stopped. We knew that this was a temporary situation and to survive we took this decision that we started to take back after it ended. We decreased dealing with stores that only dealt with credit in huge amounts. We reduced the number of our products in the market. We tried to have immediate payments from some customers, even though that this way of payment does not exist in Egypt. We looked for other products that would have a higher profit and does not have many obstacles to enter the market. We started to import cosmetics that are easy to enter the market. Those products had the right foundation ready according to our business, we need no more costs other than their VC to sell them. We had the market and the employees to start selling them. Cosmetics had lower sales but higher profits, their profits helped in covering the loss that occurred according to the EGP crisis.

One of the things that was considered as a strategy was to make our prices fixed in the market, even the stores that wanted to sell for lower prices to gain the customers were taken into consideration. We gave a studied amount of the products that would not allow those stores to reduce the prices for their own benefit.

12- When did it start to end/ when did you start to recover?

For us it is not over yet, we are still in a crisis, it just reached a point of stability after floating the currency which was good for us, as we reached a point of stability in the prices.

This stability in the market made it easier to go back and consider new strategies, the ones that we have put on hold.

13- Do you expect other bad situation that might happen in the future? (If yes, what are you going to do about it?)

Yes, the increase in the oil prices, electricity….. Is going to have a bad effect on the people living in Egypt and would cause an effect on our business.

14- What was different in this company comparing to others you have seen?

We were one of the few companies that tried to overcome the obstacles while keeping the daily business working. We tried to do whatever it takes and in a very fast way to

reach a good relationship with the employees that are responsible for the importing procedures, so that we were in their (white list) which helped the business to survive and reach a point of thinking about growing.

15- What lessons have you learned from this experience?

5 things are important to have to face any kind of any situation:

1- Continuity, don't give up from the first obstacles that are faced by the business.

2- Having a helicopter view in managing, trying to see the whole picture and how it's affecting the whole market or country. Not focusing only on my situation and seeing it as a separated case from everything else.

3- Flexibility, whenever is needed and as much as the capabilities allow us to, we needed to be flexible to have another product into the market, but not to change our whole filed.

4- Strategic thinking that is attached with the right analysis, neither one of them is beneficial without the other one.

Company B: Interview with the purchase manager of the company.

1- Does the company have any procedures to face certain unexpected situations? (If yes, like what?)
Not a crisis management plan in particular, but we always have at least plan B, it was useful during the crisis that happened in Tunisia. We try to not relay on one product or one country, we have a fast ability into switching in between more than one type in business

2- Did you see any warnings before the Arab spring started in Tunisia? (If yes, what?)
Yes I did, we all knew that something will happen, it started from 2008, and we had many problems in importing. According to the way our country was ruled, you had to stay away from anything the royal family imported. Sometimes we need to pay a huge amount of money to get in the market, it could reach to a 50% percentage for us to just get through to our market. If they saw that your product is being sold successfully, they will start importing the same product and keep yours on hold by giving you unreasonable reasons for doing that. For examples, if we start to import bananas in Ramadan, they will stop your product for two weeks, that time the royal family will have all their products in the market and even if they allow us after, there will be no room left for us to work. So freedom and other problems were there, but I think that the main reason for what happened was those problems related to the economy, they had a bigger effect than any other reasons, and those started to hugely appear from 2008.

3- Did you think it would affect your business? (If yes/How?)
Of course we knew it will affect our business, we were afraid of being bankrupt, we knew that under any condition the country will get through times that it is not even safe for you to go out, and it did. In normal conditions the country was not ruled according to the law, I mean the law was there but was not used, everything was handled for the benefit of the royal family. That was the condition without a revolution so everyone thought that what is about to happen will get the country to a worse scenario.

4- What kind of proactive actions were taken (If any) to face it?
We didn’t take proactive actions, for us there was nothing to be done. None of the

aspects of any business was controlled 100% by the owners. The royal family will decide and you just have to do your business according to what is said.

5- When the Arab spring started, was it a crisis for your business? (If yes/Why?)
Yes it was, the whole country was in a panic situation, you were not able to think about your business. People were thinking how to survive and were afraid from what is coming next. Everything we thought about doing for our business had to be put on hold, we only tried our best to survive. For six months the whole country stopped, we couldn't import and we can barely sell what we have in stocks.

6- When did it start to affect the business?
For us the crisis started from 2008 as I said before, but of course it was harder during the period of the revolution and even after that.

7- What aspects of the business did it affect? How?
It of course affected the business from the operations aspects which affected the financial aspect, we had to stop importing textile for one year and we reduced our business that is related with automatic doors, we tried to reduce the importing and focused of selling what we already have in stocks. What happened because of the crisis made us accept the fact that our goal in that period was to reach the breakeven point. Our plan was to survive during a time that there is no full activity.
The absence of safety played a big negative role in the business life in general. Everyone was trying to stay home and watch the news which sometimes would be wrong and make a person to reach a point that he would only think about staying alive. For six months we had no operations, our employees would stay home but get their salaries.
So our whole business was affected, we had expenses with no return at that moment.

8- What actions were taken to handle the crisis?
From the beginning we had different procedures, as I mentioned before, when our problem was the royal family we would try to stay low and to focus on products that they would not want. Our warehouses were not registered neither did anyone know that we had a whole building for our company. We did zero advertising so that they would

not notice our success.
After I felt that things are going to be worse I opened a branch for the company in china, in case what was coming would force us to leave the country.
When the crisis started we postponed our plans to grow and we focused on surviving. During the crisis we went and worked in Libya, we worked on different tenders and invested that money in our company so that it would survive.
In the six months when the company was on hold we were studying for other projects and other products, we knew that this point can be changed to a better situation and we had to take a risk, we had new deals with 8 other companies from different countries including Germany, Italy, Romania, Spain. We raised our capital even though at that point it seemed like a suicide, but for me that was a temporary situation and to survive after that you need to take a risky decision. We cut down on some expenses and unfortunately we had to lay off some employees.
The revolutions for us were an external factor and it was something that can't be avoided, but we were not going to stay as we were before, we had to get out of it in a stronger position. We knew it will end at one point and if we were not going forward then we are going backward.
As soon as thing started to get back to normal we started importing from those 8 new companies, we changed our strategy and became distributers we have our own catalogue and start focusing on the products that bring us the higher profit. We had a problem with our main supplier during the crisis and asked for a 30% discount for all the products that we get from them just for the period of the crisis but the deal got rejected and we stopped dealing with them, after we started dealing with other companies and after our main competitor pulled out of the market, they were the ones who asked to get back in business with us. We saw the crisis as a point to get better and we used that chance, we moved ourselves from a medium company to a large company after the crisis.

9- Which new rules of the new government had an influence on the business? How?
For us the rules were related to new businesses, it did not look at old companies, so we were not affected. We had rules that were not followed at the time and after what happened they started following the rules, which was better for us.

10- Do you think that there is a link between the exchange rate crisis and the Arab spring? (If yes, How?)
Of course, the Arab spring led to the absence of the safety in the country, which automatically lead to a worse economic situation which after that affected the currency.

11- Was the TND currency crisis a crisis for you? (If yes, why?)
It was an issue that we had to consider but it was not a big problem for us. Most of our work was related to tenders and it had a section that said any change in our currency will automatically change the price. But for the ones that we dealt with directly, we had an option to cancel or for them to cancel, sometimes we would delay the contract for one year, waiting for the currency to get better. In real life both parties want their business to continue, so going to court and having a big problem is not a solution, our good relationships with our parties gave us the chance to find solutions for that issue and when sometimes we couldn't, we would cancel the contract. However wanted money from us would try to reach for an understanding and we would do the same for our customers, if the need more time we would agree and we let them take products without paying as we were all in the same circumstances at that point.

12- When did it start to end/ when did you start to recover? (If it ended)
In the years 2011, 12, 13 the government started to act according to the rules, it was not a privilege, it was a right that we had but never owned before. And Since 2015 the whole situation became better or started to become better, in business life there is no such thing as 100% stable, but since 2015 the situations became better than before the crisis.

13- Do you expect other bad situation that might happen in the future? (If yes, what are you going to do about it?)
We are afraid from the upcoming elections, the fact that there is a government that will be changed leads to different decisions and different rules that will lead to a chaos in the internal management of the company. No actions are taken other than the fact that we are prepared enough to stay as flexible as we can to survive and after surviving, finding a way to have more achievements.

14- What was different in this company comparing to others you have seen?

I saw one noticeable difference with our main competitor, in the time that the whole country was on a pause position, we were trying to find other ways to grow our business, while he was only waiting for things to go back to normal, he didn't try to find another source nor did he have a plan B. Once things started to get back to normal we were able to get his main and only account which lead him to leave the market completely.

Company C: Interview with the general manager/owner of the company.

1- Does the company have any procedures to face certain unexpected situations? (If yes, like what?)

No not really, because in the time before the revolution the country was protecting us. The places that I had my factories in were cites that do not have much investments in them, so as a way to encourage the investments the country would provide anyway that works there with some benefits, so I was not really thinking to have a back-up plan. The government would give you back 30% of your losses in case the business losses, this would be for the first five years as a privilege for those cities. This includes any kind of investment, foreign and local ones. Another privilege was that the government would pay the social security for the employees instead of the company for five years.

2- Did you see any warnings before the Arab spring started in Tunisia? (If yes, what?)

Yes I did. One of my factories is in the city that the revolution started in. People in that city are kind of aggressive, when you work there you would see that it is easy for them to start a problem. Before that in 2004 a problem happened that had to do with a phosphate company, it was the first revolution that happened, so I saw that the problems mainly start from this city.

In this city it was easy to start a problem, people would start making some problems due to small reasons or basically any reason that they would hear from any outside sources.

3- Did you think it would affect your business? (If yes/How?)

Of course I did, just the fact that it might start from the city that my factory is in was a huge problem.

4- What kind of proactive actions were taken (If any) to face it?

I did not take any actions. I did not think it would reach this point and as I mentioned before I was considering the fact that the government would protect such investments.

5- When the Arab spring started, was it a crisis for your business? (If yes/Why?)

For me it started from the first protest, and yes it was a crisis for me, the chaos that happened because of the revolution made working harder in the beginning. Workers

were facing problems to come to the factory. The employees guarding the factory were scared so they stopped coming to work, I was going by myself to protect the factory. The business did not stop completely but from almost 150 employee, only 30 would come in those days. I had to take each employee back to their house because of the bad situations that were happening there, the first month was the worst, transportations were bad and it was not safe at all.

There was a Teachers Syndicate in the city, and because of the total chaos that was in the country, the employees in the syndicate were convincing the employees in my factory to ask for better salaries, there was no police station, no rules, no order, nothing that I can go to and solve such a problem, the country wanted to close all the companies, importers and exporter were both suffering.

The country took the keys of the factory from me, it got closed for two years and I had nothing that I can do, the police station was sat on fire, the court was also sat on fire, every month some new person would be in charge no specific rules to follow so for me there was nothing to do, when they came to take the keys all I could do is to give them the keys. They took it as a part of the chaos and said it should belong to the country.

6- When did it start to affect the business?
From the beginning of the protests it started affecting my business.

7- What aspects of the business did it affect? How?
it affected everything, as I mentioned before because of the crisis the factory was not able to perform in a normal way and workers were not able to come to work, the chaos made anyone be able to do anything so it was really easy for them to come and take it away from me. I tried to open it again after 2 years when things became a little bit better but could not find workers to do the job in that city and I was not able to bring workers from other cities because the people who live in it will not accept having workers from other cities.

8- What actions were taken to handle the crisis?

I tried in the beginning to help the workers by protecting them and trying to build a safe environment from them to come to work, I was protecting the factory by myself and as soon as things started to go back to normal I tried to open the factory again.

9- Which new rules of the new government had an influence on the business? How?

When I tried to open it back after two years, there was a decision taken by the government and it was to pay the citizens of that city a monthly paycheck, this decision was the reason why I couldn't convince them to come and work again.

10- What were the actions taken to handle them?

There was no actions to be taken because as I said, I was not able to make them work and I can't bring other workers from other cities.

11- Do you think that there is a link between the exchange rate crisis and the Arab spring? (If yes, How?)

Of course there is, it was all connected, it was like a circle, one thing will lead to the other.

12- Was the TND currency crisis a crisis for you? (If yes, why?)

It was a good thing as we were exporting, so the decrease in the value of the TND was for our own interest, but my factory did not perform that much time after the revolution so I did not benefit from it a lot.

13- What was different in this company comparing to others you have seen?

There was not that much different, in that city there was two foreign factories, one was mine and the other one was a Japanese factory, both of them closed after the revolution.