

Abstract

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Impact of Political Instability on FDI inflows in developing countries (Case of Egypt)

No doubt that FDI plays an important role in the economic growth and development of all countries, especially the underdeveloped ones. FDI significance for the underdeveloped countries is multi-perspective and multi-dimensional. FDI plays an important role in the political and economic transformation of the concerned countries. However, it could be impeded by various factors, mainly the political factors. Political instability is one of the major political factors that negatively affect FDI projects and operation. Stemming from this perspective, the overall objective of this research is to clarify the significant impact of political instability on FDI Egypt, before and after the 25th of January revolution as a case study. Although the research is focusing on political instability as a major variable that affects FDI in Egypt however, this doesn't mean that other political and economic factor don't have impact on FDI projects and operations. The structure of this research starts with an introduction, which gives an overview about the research objectives, problem and the academic and practical importance of the research. The literature chapter handles various definitions of FDI and political instability, determinants of FDI and some similar case studies. The methodology chapter focuses on the research strategy, research variables, and data collection. The discussion and analysis chapter focuses on the approaches used in description and analysis, quantitative approach, hypothesis testing using correlation matrix and linear regression analysis. In the conclusion, the researcher summarized the research objective, findings, impact of political instability on FDI in Egypt, the major recommendations, the contribution of this research to knowledge and finally the limitation by the researcher.