

Electronic Bread: Magic Stick for Abolishing 50 Years of Subsidy

Salwa Thabet Mekky

Abstract

This research proposes a bundle of recommendations aiming at conceptualizing a comprehensive framework to develop the baladi bread distribution system which has been recently launched since April 13, 2014 in Port Said. It presents effective up scaling mechanisms across all regions in Egypt. For this purpose, the study utilized an analytical descriptive approach in addition to primary and secondary sources as well as personal interviews. The paper covers six sections. The first part of the paper presents the status quo of bread subsidy in light of incurred costs as a percentage of food subsidy, in particular, and as a percentage of goods and services subsidies in general. Thereafter the study overviews subsidized bread production system and reflects on indicators pertaining to the diversity of bakeries in terms of their types. It illustrates both production and distribution chains as well as identifies the role of stakeholders. In light of the problems this industry chronically suffers as well as analysis of the new subsidy system which the government has launched, the paper investigates points of strengths and weaknesses of the new system. Finally, for up scaling purpose, the study conceptualizes and proposes recommended actions to ensure effective implementation of a well integrated bread subsidy system.

Journal of Modern Egypt, Egyptian Society of Political Economy, Statistics and Legislation 2014, October