

Rumors and their economic impacts

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Abstract:

The economic field is considered as the most affected field of rumors due to all its issues. Such issues include those of subsidy, taxation, salaries, wages, rising of exchange rates, stock markets, foreign investment, etc. A rumor appears in order to realize an economic purpose or illegal profit. Lack of confidence between the public and the government is one of the main reasons behind the spread of rumors. The research aims to identify concept, characteristics and conditions necessary for rumors success. It aims as well to identify the reasons, motives and means of rumors spread. The research aims also includes identification of rumors types and sources while displaying some examples and models of the most important rumors which have been recently launched and had negative effects on the national economy particularly the subsequent consequences of launched and spread rumors on the financial market, exchange rates and their impacts on the economic growth, foreign investment and national production. Realizing the research aims, the analytical and descriptive approach was adopted through the description of various rumors spread phenomenon. The research consists of six main parts in addition to an introduction

Keywords: Rumors- stock markets -crisis of the black market -economic impacts.

Introduction:

The economic field is considered as the most affected field of rumors due to all its issues. Such issues include those of subsidy, taxation, salaries, wages, rising of exchange rates, stock markets, foreign investment, etc. this is followed by rumors related to political, social, management, health, environmental, sporting, art, religious issues and others.

Rumors mongers in general and economic rumors in particular are attributed to the conflict and intricacy of interests as there are conflicted interests between the imported and domestic products or among the imported products themselves or the domestic products themselves. A rumor appears in order to realize an economic purpose or illegal profit (*Banerjee, A.V., 2010*).

Lack of confidence between the public and the government is one of the main reasons behind the spread of rumors as several people have a lot of suspicions on the government official statements. Rumors can also be a means of war between the corporations and the states; there are many successful corporations which were forced to shut down due to a baseless rumor. Lack of transparency and vagueness of information and reality clarification are behind the increase of rumor spread. Rumors often appear during the times of disasters and crises; they are used as a weapon of destabilizing against political and economic stability (*Bommel, J.V. ,2008*). Rumor is a result of a mathematical equation; multiplying the ambiguity rate by the significance rate. The higher the significance rate of an ambiguous matter, the stronger the rumor is. Whereas the significance rate equals zero and the matter isn't ambiguous, the rumor does not exist.

The problem statement:

In light of the previous introduction, the research problem dwells on the negative impacts resulted in the growingly and increasingly spread of various rumors phenomenon particularly the economic ones in Egypt and their rapid circulation among the society members through mass media and social networks. This leads to the political and economic instability of the society because of the lack of confidence between the public and the government and create a state of resentment and hatred against the political leadership. The economic rumors aim to create further frictions due to goods storing and back market emergence, prices rising, making the consumer dubious of the product's type, quality and its health effect. A rumor might be ethical when targeting public figures, government officials and so on. This at last leads to negative repercussions on the national economy particularly consequences related to launching and spreading rumors at the financial, exchange rates and their impacts on the economic growth, foreign investment and national production.

Research Aims:

The research aims to identify concept, characteristics and conditions necessary for rumors success. It aims as well to identify the reasons, motives and means of rumors spread. The research aims also includes identification of rumors types and sources while displaying some examples and models of the most important rumors which have been recently launched and had negative effects on the national economy particularly the subsequent consequences of launched and spread rumors on the

financial market, exchange rates and their impacts on the economic growth, foreign investment and national production. It finally reviews the most important policies necessary for facing, fighting and curbing rumors.

Research Hypothesis:

The research assumes that rumors have negative impacts on the stock markets, exchange rates, economic growth, foreign, investment and national production.

Research Method:

Realizing the research aims, the analytical and descriptive approach was adopted through the description of various rumors spread phenomenon particularly the economic ones and their negative impacts on the national economy. The study has made use of the relevant publications, studies and periodical articles.

Research Plan:

The research consists of six main parts in addition to an introduction. They are as follows:

First: concept, characteristics and conditions necessary for rumors success.

Second: Reasons, motives and means of rumors spread.

Third: Types and sources of rumors.

Fourth: Subsequent consequences of rumors launch and spread on the stock markets.

Fifth: Rumors and crisis of the Dollar black market.

Sixth: The most important policies necessary for facing, fighting and curbing rumors.

First: concept, characteristics and conditions necessary for rumors success:

A rumor means promoting a baseless topic, news or event to be circulated among people or exaggeration of announcing untrue news or news which bears a little portion of reality and it is difficult to verify it. It is often untrue news without a proof or evidence or it is exaggerated through maximizing or belittling its significance (*Abdel Fattah al-Hams, Fayez Shldan ,2013*). A rumor is a semi-real say which might be positive or negative. It is random and non-organized launched by some individuals against others. It may be carefully planned by a big organized and highly specialized system in order to direct the public opinion to publish the news in a well-planned way. It is stated that there is a beneficent from each rumor (*Kamel Mohammed Ewaida ,2011*). The aim of any rumor is to cause a degree of impact on those who receive either positively or negatively or make them neutral towards the rumor topic.

A rumor does not pose a new idea but deal with news or information about a topic, person or certain situation and each rumor has its audience (*Mohamed Ahmed Al-Nabulsy ,2010*). The economic field is considered as the most affected field of rumors due to all its issues. Such issues include those of subsidy, taxation, salaries, wages, rising of exchange rates, stock markets, foreign investment, etc. this is followed by rumors related to political, social, management, health, environmental, sporting, art, religious issues and others. The economic rumor makes the consumer dubious of the product's type, quality and its health effect. Thus, some may abstain from buying it causing economic slump in that product production sector. The rumor life cycle is related to its significance for individuals and the emergent circumstances in the society.

The rumor appears in an atmosphere prevailed with awaiting, expectation, instability and lack of confidence (*Zhang, N. ,2009*). The worse social and economic situation and the spread of unemployment phenomenon in the society are among factors contributing to the emergence of rumors. The private Television Satellite channels owned by businessmen play an important role in expressing their ideological trends and promoting incorrect ideas through publishing untrue rumors on certain issues which bring them private benefits or destabilize security in certain areas. The rumors may have serious consequences such as the army defeat, launch a war, killing people or harm the economy of a specific state (*Wentao Huang , 2011*).

The rumor is characterized with rapid spread of information and circulation among people so they cannot be easily stopped. One of its characteristics as well is that it can be true or false or true and false at the same time. It also depends on a null hypothesis that each S means X (*Hammed Abdel Salam Zahran ,2009*).

The main conditions necessary for launching a rumor and its success is the extent of the topic significance and the extent of its surrounded ambiguity. The strength and weakness of the rumor impact depends on the equation of (*G.Allport and L.Post man,1948*). It says that the rumor spread equals the rumor related topic significance multiplied by its surrounded ambiguity degree.

Based on this equation, the rumor has further spread if its topic is important and has high ambiguity and vice versa. If the topic losses its significance its surrounded information are clear and stated or in other words if any of the equation elements equals zero and the outcome is zero; it means the rumor failure. Suppose the topic

significance equals 100 and its ambiguity equals zero (after clarifying all its relevant facts), the rumor impact will equal zero, i.e. the rumor has no effect. Notably, the number of rumors changes according to the event topic significance and the ambiguity amount in the situation. The rumor impact may be 100% in certain topic and might be less than that and may reach zero and hence the impact vanishes. This is known as the main basis of rumor or the equation of (*G.Allport and L.Post man,1948*).

This equation is of great use for the rumors makers and the counter rumors and useful for facing the rumors impacts. The rumors experts in the world rely on this equation. In their success, rumors are related to their recipients' psychological structure. Thus, they affect a certain society as they are compatible with its culture, needs, difficulties, and problems and they do not affect another society (*Buchner, H.T. ,2007*).

The meaning of rumor differs from one society to another according to the prevailed culture and its functions. The rumor success depends largely on the social class that accepts the rumor due to the precedent psychological readiness. In addition, there are other conditions help the spread of rumors such as critical times of war and political and economic crises when fear and anxiety prevail among the society individuals. Rumors become of limited effect in the normal conditions (*Cornwell,D.,and Hobbs,2009*).

G.Allport and L.Post man (1948) noticed during the World War II in 1945 that the importance of a rumor and a counter rumor in affecting the people's morals, thoughts and behavior. They believe that rumors spread more during the times of crises, periods of political or social transition. Rumors also spread whenever media blackout exists or there is ambiguity in stands or with the government officials' untrue statements or with the intended mislead through the various mass media.

Second: reasons, stimulus and means of rumors spread:

The reason behind launching rumors in general and political rumors in particular is due to the intricacy of interest conflict. There are conflict interest between the imported product and the domestically produced product or the imported product and other the imported products or between the domestically produced products and other domestically produced products. A rumor appears with the aim of realizing an economic end and illegal profit (*Benjamin Doerr ,Mahmoud Fouz ,2010*). The main

reasons behind rumors spread are lack of confidence between the public and the government; as there are frequent doubts for many people over the government official statements.

Rumors often appear in the times of crises and disasters. They are used as a weapon against political and economic stability in order to shake stability. Rumors sometimes appear as a measure of the public opinion by the government systems or the public opinion systems as a type of testing balloons to determine the kind of people response to a particular event that can occur such as raising the prices of certain goods. A rumor depends on the idea that there is no smoke without fire. Thus in several instances, rumors rely of some of the truth.

The spread of rumors attributes to lack of transparency and absence of information, the weakness of credibility of declared statements and news concerning a certain topic and its contrast to reality (*Veldkamp, L. ,2011*). The state bears responsibility for information and data on the market conditions whether supply or demand or world process and the stock markets fluctuations, so as the consumer can know the world process fluctuations and their impact on the local prices. The encouraging reasons of rumors emergence include the political ruling form as the undemocratic regime practices lack of declaration of political activities and others. Thus, it creates a suitable environment for rumors due to absence of democracy and public freedom and lack of declaration of realities during the times of crises and wars ((*Shibutani ,T, Improvised News, 2008*).

A rumor might be used to attract attention through its monger as he has important sources of news which are not known to many people. A rumor refers to prediction of a future probability which the rumor monger believe it will occur soon. A rumor is used to direct an offense towards the person targeted for defame or change people' stand of him particularly the influential people. A rumor may be used because of people's desire to know more about a particular topic due to some people's tendency in important position to falsify facts or hide some parts of them in order to increase their ambiguity. Notably, the environmental and social level plays an important role in the spreading of rumors. The more the cultural and educational levels decreased, the more the rumors increased and vice versa (*Rosnow ,R,L.,and fine,G,A, 2011*).

There are various means and tools through which rumors are launched particularly with the spread of information technology, modern technology such as TV satellites,

fax, mobile phones and the world network (the internet) and the email, etc. of the modern social communication networks (facebook, twitter, What's up, etc.) besides direct and indirect personal conversations. Various mass media play a prominent role in fast spreading of rumors particularly as the whole world becomes as a small village under information globalization and others (*Olusola oyenyinka oyewo, 2007*). The enemy agents contribute in a tangible role to transfer and repeating rumors for special interests and financial temptations.

In addition, the intelligence departments of states spread rumors to achieve the state's interest and deceive the enemy. Some state, for example, the United States established what is known as the rumors clinics as rumors are analyzed to know their source, type and their suggested reply (*Peterson, W.A. and N.P. Gist, 2005*).

Rumors spreading means are determined either through recruited agents who spread over the café shops, taxi drivers, barbers, hairdressers, and distributors of cigarettes and soda drinks. The yellow newspapers are considered as one of the most influential means of supporting rumors and transferring them into actual reality. There are other several means of spreading rumors such as the normal opinion leaders in the religious institutions, sports clubs, government institutions, etc. (*Jong-Hyun Kim, 2012*).

Third: Types and sources of rumors:

There are several types of rumors according to their purposes whether political, economic social healthy, sporting, art or religious. Rumors spread all times whether in peace, war or economic recovery or recession. The axis of religion and patriotism mostly forms the main corner to launch different kinds of rumors (*Knapp, R. H., 2004*).

There are two types of rumors. First, the deliberate or intended type in order to cause a harm because of private interest conflict. Second, the random unintended rumor which does not aim to cause a certain harm such as lack of economic confidence in government due to repeated untrue promises. The rumor spreading speed depends on the individuals cultural awareness, ability of sound thought in the prevailed socio cultural atmosphere (*Milgrom, P.R., 2009*).

Rumors types differ according to the time distance, place, style or means necessary for its launching and also according to their stimuli. According to stimuli, there are rumors of fear and hatred; diseases spread rumors, riots and demonstrations rumors,

accidents and disasters rumors which particularly spread in times of fatal wars and crises as a means of psychological war against the enemy. The racial rumor which spreads against an ethnic group or sect; optimism and hope rumor which spread in the circles that wish the truth of such a rumor. According to its subject, a rumor could be against an individual, family, group or a certain state.

According to its place, a rumor place could be local, regional or international (*Nkpa, N. K. U. ,2007*). According to its time, there is a fixed or developed rumor and there are short-term or long-term effect rumors; there quickly and slowly vanished rumors and rumors vanish over days. There are easily detected rumors, medium-detected rumors, hard-detected rumors and impossibility-detected rumors. According to its style, rumors could directly or indirectly spread or through the mass media. According to its spreading, there are crawling rumors which spread slowly and the fast rumors which quickly spread and the vague rumors which spread in certain circumstances, disappear and appear again in similar circumstances (*Massimo Crescimbene , 2012*).

According to sources of rumors launching, they are often related to factor of competition whether at the individual, group, state or world levels. The rumor source could be an individual rival against another individual or a political party against rival party or opposition against the ruling regime, a sports club against a rival club or an artist against another artist, or it may take a media news form from a state against another state during the times of war. Rumors source differs according to the intended interest or purpose. According to its direction and path, a rumor may be vertically launched in a certain institution or horizontally launched at the level of the state as a whole. A rumor may be launched from urban to rural areas or vice versa. A rumor may come from outside the state to cause an effect within the state (*Heng Chen, 2012*).

The most important examples and models of launched rumors are as follows:

- **At the economic level:** rumors launched by rivals as some businessmen import a particular type of available goods in the domestic market and work on launching a defaming rumor against the product available in the domestic market to reduce its demand. Then, they introduce their goods to achieve high profits. There are two types of devastating rumors on the part of some colonial states against the developing countries to spread rumors for serving their political or economic interests such as the attempt of some states to export their products to the developing

countries. They ask their agents to spread different rumors on the poor manufacturing or contamination of the local product that may cause diseases. As individuals abstain from buying those goods, they introduce the alternative goods into markets.

There is the rumor of falling and rising of dollars rates which leads to high demand on dollars which results in the decline value of the Egyptian pound (phenomenon of dollarization) that helps the dominance of currency traders on the money market in Egypt in certain periods. There is a rumor of eliminating the material subsidy and replacing it by monetary subsidy which leads to food prices rising and the disappearance of some of them for the favour of their traders. There is a rumor of the imported belts causing men to be infertile which leads to the slump of those imported belts. There is a rumor that the imported dried apricots from Turkey and Iran have radioactive materials which leads to the decline their importing for the favour of that imported from Syria and for the favour of the Egyptian dried apricots. There are the advertising rumors through exaggeration of displaying certain goods or promoting projects or certain companies. There is the rumor of some consumption goods that will be rare in the market due to export overseas; their prices will soar up and their demand increases. The rumor of 2002 between the mineral waters companies as some companies spread rumors that the rival companies fill up their waters in Israel; this leads to the decline of their sales. The rumors of 1985 between two companies producing chocolate wafers that the other rival company used the pork fats which led to the remarkable decline of its sales (*Peterson, W.A. and N.P. Gist, 2005*).

In addition, there is a rumor of falling or rising of a certain company shares in the stock market. There is a rumor of a bank client escapes overseas with billions and the expectation of the bank bankruptcy, so other clients will withdraw their deposits from the bank. Thus, it will actually become bankrupted. There is a rumor that the economy is on the edge of bankruptcy and the current government is ineffective and will be reshuffled to form a new government. There is a rumor that the government sells the strategic national projects to foreigners like the Suez Canal and others (*Ahmed Ibrahim Abu Arkoub, 2013*).

- **At the political level**, the political rumors impact increases whether in the internal or external politics particularly during the times of parliamentary and presidential elections and government creation at the domestic level and in times of war and

international conflicts at the external level (*Difonzo,n, 2008*). There is a rumor of awaiting reshuffle, a rumor of deferring elections, a rumor of parliament dissolution, a rumor of the president's health, etc. which lead to confusion of the state institutions and defect the public interest. In addition, there are rumors spread during negotiations between the heads of states concerning a certain subject, the rumor of the undefeatable Israeli army, the rumor that Muslims are the masterminds of terrorism incidents in the world (*Ahmed Nofal ,2011*).

- **At the health level**, there is a rumor of food poisoning in schools, the rumor of corrupted vaccinations, for the children paralysis treatment in Egypt, the rumor of bird flu which affects humans, the rumor of Foot and Mouth disease spreading, the rumor of smuggling amounts of AIDS-injected honey dew, the rumor of MacDonald's company that adds worms to the burgers sandwiches in order to increase their protein ingredients, the rumor of stomach explosion in 1978 due to having the soda drinks and the Bob Roex sweets (*Knapp, R. H. ,2004*). Therefore, MacDonald's company and General Foods company- which produce Bob Roes sweets- were forced to spend more dollars in free advertisements and other activities in order to refute those rumors. Undoubtedly, those rumors created widespread doubts on the food products and their associated health risks (*Difonzo,n, 2008*).

- **At the environmental level**, there is the rumor of Ozone hole, the rumor of the Nile river water contamination in Egypt 2006 because of dumping bird-flu dead infected birds in the Nile waters which led to the rising of mineral water prices. Furthermore, there is the rumor of earthquake consequences in India in 1934 and their subsequent disasters, the rumor of the Nuclear reactor in the Thierry Mile Island in Pennsylvania in 1979 and the reactor would destroy its all surroundings (*Massimo Crescimbene , 2012*).

- **At the social level**, there is the exaggerated rumor of the World War II spies who were depicted as enemies, the rumor of unidentified flying dishes in different places and Pramouda Triangle, the rumor of the infection of the article author of "Mecca War" published in the "*National Review, 2001*" by Quadriplegic, the rumor of allocating a day-income of a US restaurants for Israel, the rumor of goblins and gin haunted houses, the rumor of superstitious people, the rumor of loyalty to some people because of their superstition, the rumor of dying because of relying to

unknown telephone numbers, the rumor of technical defect in the Hyundai Verna cars, etc. (*Hamoud Al-Bader ,2010*).

Fourth: consequences of rumors launching and spreading in the financial markets:

The financial markets in Egypt are currently affected by the internal, external fluctuated political and economic conditions; the Arab region situations; the world stock markets positions; the effect of American and European crises on the foreign companies listed in the Egyptian stock market. The stock market is one of the most affected economic sectors by rumors that target affecting the investors' confidence in the financial markets. The launching of such rumors negatively affects the stock market stability, the decline of confidence level and the liquidity inflow volume to such markets. The small inexperienced investors who have little investment awareness are considered as the most affect by such rumors through their investment decision of purchasing and selling. Rumors aim to create artificial supply and demand of some companies' shares and thus increase the shares of some companies and decrease the shares prices of others without reasonable justifications of the prices falling and rising except the achievement of the rumors mongers' interests whether rapid profits or avoidance of large losses (*Halil , Kiyamaz ,2009*).

This evident in the decline of the world stock markets from 28th February till early March 2007 in Egypt due to a rumor launched of tax imposing on the Egyptian stock markets profits. This asserts the clear role which rumors play on the stock markets and the money markets particularly in the developing countries including Egypt. The rumors of reshuffling and new government creation play an important role in the negative effect on the stock markets, the money markets and the foreign transactions in the markets through the increase of their desire to withdraw from the stock market. Notably, the rumor is the pest of investment in the financial markets and constitutes a great problem in how to be overcame. A matter which requires a type of transparency that urges the money-market listed companies to declare true information regardless of the rumors and analyses issued by share-prices unspecialized bodies.

One of the studies (*Kiyamas, 2009*) on Istanbul stock market points out that rumors play a negative role on the stock market position through using 300 rumors to identify their roles and effect on the purchasing and selling movement. He study concluded that rumors were the main reason behind profits and have a strong effect on the shares prices listed in the market. The speculator is the only benefited person of

rumors. Some companies which urge for rumors also benefit from raising the company share price due to those rumors. The normal simple investor may benefit the share price rising in spite of his unawareness of the rumor content and type (*Bommel, J.V., 2008*).

Among the most important rumors mongered by the speculators are, for example, the liquidity of banks for the interest of great investors portfolios; the liquidity of a large portion of the investment funds assets. Therefore, the financial markets efficiency would be affected through misleading the investors by the immoral practices. Some speculators use the electronic means to spread rumors and others use the mass media while others exist in the mediation offices to spread rumors among clients. Others launch rumors on the financial markets websites as a large number of them daily exist in the deliberation halls of those markets. The most important forms of rumors in the stock markets are as follows (*Naif Arab Academy for Security Sciences, 2009*):

- Rumors spread in times of crises due to the financial market lacks clear, true and transparent information.
- Rumors are often related to information from their main sources such as institutions, companies, speculation markets.
- The spreading of rumors in the financial markets is associated with the characteristics and nature of their mongers.
- Rumors strongly appear due to the late declaration by institutions and financial companies of their annual profits to investors.
- The economic and financial analyst plays an importance role in creating the rumors whether intentionally or unintentionally through the shares and stock markets movement. This may lead to creating a financial information later transfer into a rumor which quickly spreads.
- Rumors spread in the financial markets due to the investment unawareness and ignorance of several investors of the financial markets laws, the profit and loss game, lack of information, etc.

Fifth: rumors and the dollar black market crisis:

The flourishing dollar black market in Egypt is attributed to the reasons of rumors effect increase, lack of available foreign resources and hence the available foreign currencies in banks are inadequate to meet the annual credits of importers. A matter

that makes investors resort to the black markets to cover their needs and hence increase the dollar demand pressure, decrease of dollar availability and increase the speculation on the dollar rising rate. The money exchangers and individuals working in the dollar black market are the most prominent benefited people of its rate rising in banks in spite of the Central Bank allowance of the Egyptian pound devaluation in banks to fight against the black market speculators. The real situation reveals that the most important reason of the dollar black market crisis in Egypt is lack of dollar resources which makes it difficult to get rid of the black market due to the supply and demand theory (*Kenawy .E, Monetary Economy,2015*).

The dollar rising rate in the black market while Egyptian pound devaluation in banks leads to the imported goods rising prices; particularly those whose import is financed by the black market. This gradually decreases their demand in the Egyptian markets and hence spontaneously lessens their import from abroad. At the same time the dollar rising rates helps increase exports and leads to decrease the trade balance deficit. Therefore, the current transactions deficit decreases and the payment balance surplus increases which is positively reflected on the Central Bank's foreign exchange reserves.

Employers in Egypt who get their salaries in US dollars may benefit from the dollar rising rates as their purchasing power increases when the state controls the rising of goods prices resulted from the rising of dollar rates or in the case of relying on buying goods whose production depends on local raw materials.

Foreigner investors benefit from the Egyptian pound devaluation against the dollar particularly the new ones or those who want to pump in further investments. This clearly appears in the stock market as the contributor of the same US sum can buy large amount shares listed in the Egyptian stock market due to the rising of dollar rates. This is supposedly positively reflected on the Egyptian stock market when overlooking the rumors phenomenon (*Mohamed Osman Elkashab ,2009*).

In light of what is mentioned earlier, it is necessary to narrowing the gap between imports and exports; curb the luxurious and provocative goods; prevention of importing goods which have local alternatives; stability and rising of cash reserves, decrease of budget deficit and curbing of inflation.

Sixth: necessary policies to be adopted in order to face, fight against and curb rumors:

There is a group of means and styles that can curb spreading of rumors and fight against them. This includes the following:

- Accuracy, transparency and credibility in immediate displaying of facts, publishing the official data and information by the government officials and political leaders concerning any of the state affairs fields as long as their publishing does not harm the public interest in order to gain the people's confidence in the government since rumors appear in the absence of facts.
- The necessity of giving chances to the public to inquire about facts they want to know and their answers by the official in a credible and transparent way. This helps close the door before any rumors concerning a certain subject.
- Efforts intensification to detect rumors mongering sources by all available means and the attempt to refute them through a greater rumor in size, effect and great priority to the targeted public, abolition of some websites and mass media that contribute to the spreading of false rumor.
- The necessity to establish rumors detection centers in the Egyptian public information authority, submission of regular reports on the rumors truth by other branches in the governorates to observe the public opinion, immediate detection of rumors, reporting rumors to the specialized body for prompt response. In addition, the rumor should be falsely proven in the mass media through facts, logics and knowledge. This can be done through publishing its opposite without close or far indication to the rumor and this is the best way to detect its source and target.
- The attempt to know the rumor source and verify its credibility; any news should be believed except after its analysis through affirmation or denial by the official authority in order to reveal the rumor target.
- The necessity to modify legislations through devising a new law in Egypt that punishes the spreading of rumors. A draft resolution of anti-rumors was submitted in Egypt but was disapproved by the journalists syndicate as it restricts freedom of opinion and press in Egypt.
- The necessity to create more opportunities of jobs and production as unemployment is one of the main issues that helps the spreading of rumors due to the leisure times.

- Fieldwork researches in the markets, factories and communities should be conducted to detect areas where rumors are spread with attempts to provide and clarify its related information.
- Benefit from the multinational companies experiences in facing rumors directed against their products through racing the rumor source and the state from which the rumor was lunched. A world press conference can be held to clarify the full facts and overall analysis of the rumor and its dichotomies. A retaliation campaign against the state or company source that mongered the rumor can be launched.
- Activation of the consumer protection association role and the role of the non-governmental organization and the civil society association through providing true information about the markets and creating cultural awareness among the society individuals in order to besiege such rumors.
- Seeking the international experiences in solving rumors related problems in the financial markets and stock markets through imposing laws and deterrent sanctions on the false rumors mongers in the stock market and suspension of deliberation movement on the sources companies of rumors for a specific period and forcing them to clarify their stands from those rumors.
- Government control activation and surveillance on the stock market transactions to ascertain the information truth and transparency.
- The necessity of narrowing the gap between exports and imports, fixing a real rate of dollar in the Egyptian banks, curbing the imports of luxurious and provocative goods through the prevention of importing goods which have local alternatives.
- Allocation TV programmes in the mass media to broadcast economic programmes under the title of "financial, economic and investment verdicts" through only hosting specialist economists to provide true information in a simple way to create public awareness.
- Establishment of specialized electronic websites to provide consultations for investors in the share market by symbolic wages and shutting off some websites that spread false rumors.
- Increase the knowledge and cultural levels of the society individuals and change the education style in all the studying stages through the abundance

of memorization and indoctrination methods and the adoption of the critical thinking method instead.

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