

American University in Cairo

## AUC Knowledge Fountain

---

Theses and Dissertations

---

2-1-2018

### Media framing of the Egyptian monetary policy in domestic news websites: insights from "The Flotation of the Egyptian Pound in 2016"

Engy Azzam tawfik

Follow this and additional works at: <https://fount.aucegypt.edu/etds>

---

#### Recommended Citation

##### APA Citation

tawfik, E. (2018). *Media framing of the Egyptian monetary policy in domestic news websites: insights from "The Flotation of the Egyptian Pound in 2016"* [Master's thesis, the American University in Cairo]. AUC Knowledge Fountain.

<https://fount.aucegypt.edu/etds/690>

##### MLA Citation

tawfik, Engy Azzam. *Media framing of the Egyptian monetary policy in domestic news websites: insights from "The Flotation of the Egyptian Pound in 2016"*. 2018. American University in Cairo, Master's thesis. AUC Knowledge Fountain.

<https://fount.aucegypt.edu/etds/690>

This Thesis is brought to you for free and open access by AUC Knowledge Fountain. It has been accepted for inclusion in Theses and Dissertations by an authorized administrator of AUC Knowledge Fountain. For more information, please contact [mark.muehlhaeusler@aucegypt.edu](mailto:mark.muehlhaeusler@aucegypt.edu).

**The American University In Cairo**

**School of Global Affairs and Public Policy**

**Media Framing of the Egyptian Monetary Policy in  
Domestic News Websites**

**Insights From**

**“The Flotation of the Egyptian Pound in 2016”**

**A Thesis Submitted to the Department of Public Policy**

**By**

**Engy Azzam Tawfik**

**In Partial Fulfillment of the Requirements for the Degree of Masters of Arts**

**Under the Supervision of Dr. Rasha Allam**

The American University in Cairo  
School of Global Affairs and Public Policy

A Thesis Submitted by

**Engy Azzam Tawfik Abdelkarim**

To the Department of Public Policy and Administration

Fall17

In partial fulfillment of the requirements for the

Master of Public Policy

Has been approved by

Dr. Rasha Allam

Thesis Adviser

Affiliation \_\_\_\_\_

Date \_\_\_\_\_

Dr. Hussein Amin

Thesis First Reader

Affiliation \_\_\_\_\_

Date \_\_\_\_\_

Dr. Ibrahim Hegazy

Thesis Second Reader

Affiliation \_\_\_\_\_

Date \_\_\_\_\_

Dr. Shahjahan Bhuiyan \_\_\_\_\_

Public Policy and Administration Department Chair

Date \_\_\_\_\_

Ambassador Nabil Fahmy \_\_\_\_\_

Dean of GAPP

Date \_\_\_\_\_

## ACKNOWLEDGEMENTS

Over two years, I gained opportunities, faced challenges, and surrounded by different circumstances; they all served to change my mind perspective, increased my passion about the thesis. There were a lot of people who stood by my side to help me turn this passion into a research.

I would like to express my gratitude to my supervisor Dr.Rasha Allam of the Journalism and Mass Communication Department for her valuable comments, remarks and engagement through her supervision of my master thesis. Her busy schedule and her work as a head of the media office of the president didn't stop her from spending much time instructing me. I cannot forget her words that urged me to exert all my efforts in producing a good thesis saying "this thesis is your legacy".

I would also like to acknowledge Professor Hussein Amin, the director of the Kamal Adham Center for Television and Digital Journalism at the American University in Cairo as the first reader of my thesis. I am grateful to his valuable comments on this thesis. I am also grateful to Dr. Ibrahim Hegazi Professor of Marketing at the American University in Cairo for being the second reader of my thesis and for providing beneficial suggestions about this thesis.

I would like to thank Mr. Yousef Jameel for the GAPP Public Leadership Fellowship that funded my master's program and I would like to thank the coordinators of the Fellowship program for their attentiveness and concern.

Special thanks are given to the academic staff of both the department of public policy and administration, and the department of journalism and mass communication. I am forever grateful for everything you have taught me and for helping me in completing my master's degree in public policy with a concentration in media. It was a pleasure to be one of your students. Many thanks are given also to the administrative staff of the GAPP School for their help and guidance.

I would like to thank my beloved family, Mama who always motivates me, baba and brother who always have my back. I will be grateful forever for your love.

## ABSTRACT

On the 3rd of November 2016, the Central Bank of Egypt has announced the free flotation of the Egyptian pound. The Central Bank (CBE) had devalued the currency to 13 EGP per USD. The event of the devaluation of the Egyptian pound against US dollars started an extensive debate across media outlets. A content analysis of 605 articles in three news websites (national, private, and partisan) has been done since the announcement date of its implementation in November 2016 till July 2017 along with analyzing the press releases of the Central Bank (CBE), to describe how the Central Bank (CBE) of Egypt has been able to send out its messages through news websites.

The topic was explored through the agenda-setting and media framing theories, in order to track frames of the free flotation of the Egyptian pound and to identify trends in covering monetary policy in local news websites, to compare coverage of the new monetary decision across these news websites and to examine variations across them. The research sample covered different types of news websites (national, private, partisan) to ensure balance in the sample selection.

The research found out that “El Watan” the private news website provided the highest positive and optimistic views of the flotation followed by Al Ahram the national website and Al Wafd the partisan news websites. “El Watan” together with “Al Ahram” relied on official sources in developing their news stories, yet Al Wafd relied on non-official sources.

The frames mentioned in the press releases of the Central Bank (CBE) of Egypt were reflected in the media coverage of the three news websites however they were not constant in terms of duration or longevity. The frames applied in the press releases of the Central Bank (CBE) of Egypt were found to be six frames, “The free flotation of the Egyptian pound is a must”, “Stimulating the Egyptian economy is a shared responsibility”, “The free flotation of the Egyptian pound has positive outcomes”, “There are side effects for the free flotation of the Egyptian pound”, “Assuring the sustainability of the social aid programs for the needy people” and the frame that lasts through all press releases was “Assuring long term economic stability for investors and people”.

**Key Words:** Flotation – Devaluation- Egyptian Pound – Monetary Policy – US Dollar- Central Bank of Egypt- Media Coverage

## Table of Contents

CHAPTER 1 .....	I
1.1 INTRODUCTION.....	I
1.2 HISTORY BACKGROUND ON THE DEVALUATION OF POUND IN EGYPT.....	III
1.3 Statement of the Problem .....	VI
1.4 Significance of the problem .....	VI
1.5 Limitations of Research.....	VII
CHAPTER 2 .....	VIII
THEORTICAL FRAMEWORK .....	VIII
2.1 Definition of Agenda Setting Theory.....	IX
2.2 Dynamics of Agenda Setting Theory .....	X
2.3 Media Agenda Setting and Policy Agenda Setting.....	X
2.4 Types of Agenda Setting Theory .....	X
2.5 Influences of Media Agenda Setting .....	XI
2.6 Limitations of Agenda Setting Theory.....	XII
2.7 Definition of Framing Theory .....	XII
2.8 Frames Building Process .....	XIII
2.9 Types of Framing.....	XIV
2.10 Identification of Frames .....	XV
2.11 Framing Dynamics.....	XVI
2.12 Duration of Framing .....	XVI
2.13 Limitations of Framing .....	XVII
CHAPTER 3 .....	XVIII

LITERATURE REVIEW .....	XVIII
3.1 Coverage of Economic Events in Media Outlets .....	XVIII
CHAPTER 4 .....	XLI
RESEARCH DESIGN .....	XLI
4.1 Methodology.....	XLI
4.2 Operational Definitions.....	XLII
4.3 Data Analysis.....	XLIII
4.4 Data Gathering.....	XLV
4.5 Sampling.....	XLV
4.7 Statistical Analysis.....	XLVII
CHAPTER 5 .....	XLIX
RESULTS .....	XLIX
5.1 Hypotheses Testing:.....	LXIV
Chapter 6.....	LXVI
6.1 Discussion.....	LXVI
6.2 Conclusions .....	LXXIII
6.3 RECOMMENDATIONS.....	LXXVI
6.4 RECOMMEDATIONS FOR FURTHER STUDIES .....	LXXVI
Appendices.....	LXXVII
Appendix 1 .....	LXXVII
Appendix 2 .....	LXXXI
Appendix 3 .....	LXXXIII
Appendix 4 .....	LXXXV
Appendix 5 .....	LXXXVII
Appendix 6 .....	LXXXIX
Appendix7 .....	XCI

Appendix 7 .....	XCIII
Code Book .....	XCIII
References .....	XCIV



## Table of Figures

Figure 1 Tone of the Online Coverage of the flotation .....	L
Figure 2 Future Insights on the flotation in News Websites.....	LI
Figure 3 Sources of Online Coverage of Devaluation in News Websites .....	LII
Figure 4 Media Frames of Al Ahram News Website .....	LV
Figure 5 Media Frames of Al Wafd News Website.....	LVI
Figure 6 Media Frames of El Watan News Website .....	LVII
Figure 7 Communication Frames of CBE Press Releases.....	LVIII
Figure 8 Coverage Intensity of the Flotation in News Websites.....	LX
Figure 9 Journalistic Genres that are used to cover the Flotation in News Websites .....	LXI
Figure 10 Tone of the press releases issued by the Central Bank (CBE) of Egypt .....	LXII
Figure 11 CBE Expectations of the Flotation as reflected in the press releases.....	LXIII

## **CHAPTER ONE**

### **1.1 INTRODUCTION**

On the 3rd of November 2016, the Central Bank (CBE) of Egypt has announced the free flotation of the Egyptian pound in an attempt to stabilize the economy. The Central Bank (CBE) had devalued the currency to 13 EGP per USD, is considered a weakening of 46.3% from 8.88 EGP per USD previously. The new rate was planned to serve as guidance for banks to push-start the market. In parallel, the Central Bank (CBE) increased its main policy rate by 300 basis points to 14.75% in a bid to curtail the inflation that will follow the weaker exchange rate and rebalance the currency market. The flotation of the pound was one of the key demands by the International Monetary fund to deliver to Egypt a loan of \$12 billion over three years. Since November the pound lost half of its value against the US dollar and the annual inflation rate rose above 30 percent (Appendix A).

Before the devaluation of the Egyptian pound, particularly in October 2016, business activities fell to its lowest level and shrink for a 13th month in the midst of a dollar scarcity. The budget deficit in Egypt is the highest in the Middle East. Egypt has a debt burden that is equivalent to its annual economic output (Adel, 2016).

Over the past six years, policy makers defended the pound by drawing billions of dollars through different channels of funding. Throughout 2016, the Egyptian authorities handled the crisis through controlling the purchase of dollars tightly for months. Egyptians travelling abroad found a limit for their withdrawals and there was a high alert in the Egyptian airports to monitor any travelers who are being suspected of transporting cash out of the country (Adel, 2016).

The free flotation of the Egyptian pound is seen to be a key step towards restoring the competitiveness of the economy and advancing the activity of the private sector, which had been severely influenced by shortages of foreign currency. Nonetheless, the reforms are intensifying social pressures in the short term as the inflation has been reaching some of the highest recorded rates (World Bank, 2017).

All Egyptians have been influenced by the side effects of the flotation from wealthy students who were no longer able to pay the increasing tuition fees at private universities to the low income families who can no longer afford basic foods and healthcare service providers who were not able to meet the requirements of different segments because of the shortage of medical supplies (Youssef & Hadid, 2016).

Meanwhile, foreign currency reserves have been stabilized, yet they are still more than 40 percent below their Mubarak-era levels. Reserves are about \$19.5bn, and they fell down from \$36bn in 2011(Wardani & Brown, 2016).

The event of the devaluation of the Egyptian pound against US dollars started an extensive debate across the media outlets about the necessity and the potential of the devaluation. Different views about the devaluation of the Egyptian pound have been communicated in these news outlets; they varied in portraying positive or negative aspects of the flotation and in delivering optimistic or pessimistic future insights of the flotation, drawing a vital question on the frames that have been applied to communicate a crucial monetary policy as such to the public through the Egyptian news websites. Identifying the frames of the flotation of the Egyptian pound is important because the success of media advocacy for a certain issue is determined by placing the issue in a certain frame on the media agenda. The way media frame an event also determines whether this event will be on the top or at the bottom of the media agenda (Dearing& Rogers, 1996).

Furthermore, Dearing & Rogers (1996) claimed that policymakers use mass media to fulfill their goals. Therefore, this research did focus on examining how the Central Bank (CBE) of Egypt communicated the messages of the flotation and investigating the role of the news websites as an intermediate between a government institution and the public audience.

## 1.2 HISTORY BACKGROUND ON THE DEVALUATION OF POUND IN EGYPT

The first actual implementation of the Egyptian pound's flotation took place during the mid-seventies of the twentieth century; it was executed implicitly by President Sadat in 1977 along with other austerity measures that resulted in 1977 Egyptian bread riots. At this time, the Egyptian pound lost 50% of its value and Egypt was in a budget deficit because of the war spending in the period from 1967 to 1973. Since then, the Egyptian government started to borrow externally to cover its debts which are known as "Paris club debts" and at the same time it the government failed to balance the government budget. Plus, there were lack of Arab investment; there were no economic activities in the eighties, private sector started to borrow in US Dollars which resulted in the bankruptcy of many businesses, and the US Dollar crisis officially began to surface, where the exchange rate of US Dollar became 0.8 EGP instead of 0.4 EGP. (Adel, 2016).

On January 28, 2003, the Central Bank (CBE) of Egypt announced the flotation of the Egyptian pound or the implementation of the "Free Floating ER Regime". The Egyptian Pound back then lost 20% of its value against the US Dollars during the month of the implementation of the new regime. The exchange rate of the Egyptian pound increased from 4.5 EGP per 1\$ to be 5.4 EGP per 1\$. This depreciation grew until December 2004 and the Exchange rate for the Egyptian Pound reached 6.3 EGP per 1\$. Reserves were fluctuating with a growing trend, during this period. The reserves increased from 12.9 BL\$ IN December 2002 to 14.3 BL\$ in December 2004, during this period the Central Bank (CBE) of Egypt was intervening to keep the Exchange rate of the Egyptian pound quite stable against the US Dollars.(Massoud & Willett, 2014).

From the perspective of the government credit, the adoption of a flexible exchange rate regime did not come as solution for financial or banking crises; it was not the same case that happened in Mexico in 1994, Brazil in 1999 and more lately in Argentina. Rather, the flotation of the Egyptian pound came as an attempt to resolve inconsistencies in policy resulting from a group of

factors such as unwillingness to use international reserves to support the peg to the dollar, exchange rate rigidity and an effort as well to reduce the interest rate to activate the economy. (Galal, 2003)

Also, the move towards a flexible exchange rate regime in Egypt in 2003 has seen to have the potential of boosting investors' confidence on the Egyptian economy, attracting capital inflows, supporting the economy in absorbing real external shocks and to increase exports. Moreover, the devaluation of the Egyptian currency was seen to let the Central Bank (CBE) play the role of a lender of last chance, thus be in a position to navigate the economy in the desired direction. (Galal, 2003)

In spite of the above mentioned advantages of 2003 flotation of Egyptian pound, there were disadvantages as well; fueling the inflation rate, increasing the prices dramatically, decrease of output, negative impact on certain groups of society such as firms with dollar liability, government employees and pensioners, as they have found that inflation ate away their real income, importers who paid doubled prices for imports unless they were able to pass the increase in prices to buyers and consumers. (Galal, 2003).

Over the past decades, Egypt went through a variety of exchange rate regimes up until 1991, multiple regimes of exchange rate prevailed. At first the exchange rate was unified in the context of the economic reform program of 1991 and the government announced the implementation of a “managed floating” regime, then it was devalued in 1991–1992, and was kept maintained fixed until June 2000 to control inflation. In January 2001, the fixed regime was abandoned in favor of an intermediate regime. (Galal, 2003)

Starting from 1997 the Egyptian exchange rate was exposed to several external shocks, such as the spillover effects of the East Asian crisis in the mid of 1997 that lead to big losses for investors, capital outflows and a decline in the capital market investment. The terrorist attacks that took place in 1997 had a negative influence on the tourism sector, the tourism revenues decreased for several years ahead and brought about a slowdown in the economic growth. Other political factors such as the second Palestinian Intifada in October 2000 did affect the economy of the Middle East region in general and the Egyptian economy in particular. Capital flight witnessed an increase and the stock exchange was at its lowest performance since 1993. In an

effort to restore market stability and confidence, the Egyptian government announced a new central exchange rate of EGP3.85 per USD and introduced a “crawling peg” system in January 2001. Through 2001, the Egyptian pound lost 32% of its value, falling to 4.51 per USD, as a result of three stages of devaluations that took place. The expectation of policy makers at that time was that flotation in parallel with some currency injections would stabilize and stimulate the market. Nonetheless, the incidents of September 11, 2001 followed by the wars in Afghanistan and Iraq intensified the effects of the 1997-1998 shocks. The receipts from Suez Canal and tourism declined further and the attractiveness of Egypt as a destination for international investments diminished. (Chortareas, Cipollini & Eissa, 2012)

Egypt has been facing external or internal shocks since 1990's, the Egyptian policy makers tried to captivate these shocks by “leaning against the wind” (Massoud & Willett, 2014). Once the loss of the reserves reached a critical point, the Central Bank (CBE) allowed the depreciation of the exchange rate of the Egyptian pound and announced the implementation of a new regime for exchange rate.

### **1.3 Statement of the Problem**

This research aims to describe how the Central Bank (CBE) of Egypt is being able to get their messages of the flotation of the Egyptian pound out through the news websites as an intermediate device.

### **1.4 Significance of the problem**

This research could provide information on the frames developed by the Egyptian news websites to communicate the messages of the Central Bank (CBE) of Egypt that include the new monetary decision to devaluate the Egyptian pound. Further, this research would be a review on the communication activity of the Central Bank (CBE) during the implementation of the devaluation through analyzing the press releases issued by the Central Bank (CBE) of Egypt.

This research would be beneficial to the public officials in the Central Bank (CBE) and the Cabinet of Egypt as it would provide a map on how their messages are framed and delivered in online media, through comparing the frames of the Central Bank (CBE) and the media frames, to see if the news websites are reflecting the same frames or not. This would expectedly heighten the awareness of the communication officers or media advisors in governmental institutions to better communicate or provide clarifications on new monetary decisions in a timely manner and to advocate for that kind of policies that are considered controversial or may be received with objections and unacceptance, no matter how they are important.

This research gives us a clue on the frames that news websites used to influence the public opinion on the devaluation through defining who said what, what was said, in which channel it was said, to whom it was said(Lasswell,1948).

According to the literature review of media framing, there were some calls to examine the impact of both frame sponsors especially when they are public officials and the characteristics of the frames themselves on the life cycle of a communication frame during the occurrence of a specific event (Tromble & Meffert, 2016).

Chong & Druckman (2007) indicated that less is known about frames dynamics in competitive contexts and how frames compete with each other, does a competing frame cancel another frame and give a support to existing values. Therefore, this research gives insights of the competing frames of Egypt's new economic reform pillar, the devaluation of the currency against US Dollars.

### **1.5 Limitations of Research**

This research is first of all a baseline from which to consider the future of news frames of public policy in general and monetary policy in specific and the ways in which journalists emphasize different frames in reporting public policy news. Nevertheless, there were some limitations for the research that were mentioned below:

- Scarcity of published scholarly research on the public policy in general and monetary policy in specific in the Egyptian context.
- Unavailability of studies and reports conducted on the media coverage of the devaluation of national currencies, yet there have been many countries that implemented free flotation for their currencies. One study was only found that was undertaken in the Argentinian context yet the majority of the studies focused on the media coverage of economic crisis in different geographic locations.



## **CHAPTER TWO**

### **THEORTICAL FRAMEWORK**

Since the primary focus of the research is to describe how Egyptian news websites portrayed the flotation of the Egyptian pound, agenda setting & media framing theories present the most appropriate theoretical frameworks for this research. McCombs, Shaw, and Weaver (1997) noted that there is a relation between that agenda setting and framing effects. They even thought that

framing represents an extension to the agenda setting through what is called second-level agenda-setting.. Thereby, the researcher applied agenda setting & framing theory to identify trends in covering the new monetary decision of devaluation across these news websites and to examine variations across these different news websites.

Lasswell (1948) stated that mass communication play three broad social roles, observation of the larger environment, bringing consensus among individuals in the community, and transmission of the culture. Agenda setting contributes to the media's observation role of the society because it backs considerable portions of people's perceptions about the larger environment.

## **2.1 Definition of Agenda Setting Theory**

Dearing & Rogers (1996) define the agenda process as continuous race between issue proponents to grab the attention of media professionals, the public and policy makers. Agenda setting provides a clarification of why data about certain issues is being communicated to the public, how public opinion is being shaped and why certain issues are tackled by policy makers while other issues are not. A better recognition of the agenda-setting role lies at the intersection of mass communication research and political science. Policy can be directly affected by the agenda setting. (Dearing & Rogers, 1996)

Agenda setting is the process of narrowing the set of issues that could occupy the attention of policy makers to the list on which attention is actually concentrated (Kingdon, 1948).

According to Dearing & Rogers (1996) the main dependent variable of media agenda setting is the importance of an issue on the mass media agenda.

The most important part of the agenda-setting process is when the salience of an issue climbs on the media agenda, the public agenda, and the policy agenda. Salience is defined as the degree of importance an issue receives on the agenda. The salience of an issue on the media agenda guides the viewers, listeners, and readers what issues to think about. The salience of an issue on the media agenda controls the formation of the public agenda, which consequently determines which issue policymakers focus on. Policy makers only consider those issues that climb the policy agenda. The agenda-setting scholar is assigned to measure the changes in the salience of an issue and to identify the reasons behind these changes (Dearing & Rogers,1996).

## **2.2 Dynamics of Agenda Setting Theory**

The agenda setting theory works through two steps. First, an event must take place, it can be either large event or small event. Second, the event or the topic must grab the attention of a media outlet that seeks to cover it. After the media outlets have covered the event, it becomes open to the public to view and discuss the event. The size of the public is determined by the limits of the resources of the public, which include both psychological and time capacity. The limit of the size of the media agenda relies on the amount of space allocated for the event in the newspaper, news websites and time slots for the aired news. After the issue is being communicated to the public, the audience receiving the information tries to understand what happened as well as the reasons behind its existence. Then, the audience develops a frame on the issue they view in different media outlets (Adams et al., 2014).

## **2.3 Media Agenda Setting and Policy Agenda Setting**

The policy agenda has an influence on the media agenda and the mass media is one of the important influences on policy agendas. To put it on another way, there is an interdependent relationship between the media reporters and the policymakers. Journalists demand an access to the sources of news and policymakers are in need for coverage of their actions and policies, yet the needs of policymakers and journalists are often mismatched because of their different consideration of time (Dearing& Rogers, 1996).

## **2.4 Types of Agenda Setting Theory**

There are two levels of agenda setting, which are essential to understanding how the theory works. The first level agenda setting is about a transfer of salience for objects (public figures, institutions, public issues) in the mass media's coverage to the perception of the public. The second agenda setting is about the transfer of salience for attributes to the perception of the public. At the first level of agenda setting, the effects focus on attention, but at the second level of agenda setting theory, the effects focus on comprehension (Carroll& McCombs, 2003).

The effects of the second level agenda setting on the public comprehension can be described in terms of two dimensions. First, substantive dimension that include issue positions and ideology, experience, competency, or personal traits. These substantive attributes can be exhibited along a

sentimental dimension, defined as positive, negative, neutral and mixed. Second, evaluative dimension that indicates the transfer of facts, tone and feeling through the news coverage (Carroll & McCombs, 2003).

The second-level agenda setting differs from the ordinary agenda-setting theory in analyzing the features or characteristics of several issues and individuals in news coverage rather than focusing basically on the placement and the density of news coverage as the traditional agenda setting does. For instance, the main hypothesis in the traditional agenda setting theory is that degree of focus on certain issues in the news stories affects the public's prioritization of these issues. Meanwhile, the hypothesis in the second agenda setting is that both the topics and features of these topics being selected in the news stories are contributing crucially to the agenda-setting acts.

## **2.5 Influences of Media Agenda Setting**

There are several factors that lie behind deciding "what's news" (Gans, 1979). These factors are news values, personality characteristics, organizational norms, politics and external circumstances. These powerful agenda setters work to keep issues on or off the public agenda.

Another influencer for the media agenda is a trigger event that takes place in a certain time and starts to grab attention and encourage an action. These triggers let media outlets frame an issue and help the issue to get the public's attention that can be distracted by many issues at the same period of time.

Dearing & Rogers (1996) argued that trigger events plays an important role than the real-world indicators in placing an issue on the agenda. They explained that real-world indicators are "dry statistics" that needs a personal tragic angle to be considered with media agenda. Agenda-setting in their perspectives, represents an emotional reaction to the trigger events, and they confirmed that the issue has to be perceived as a social problem to a certain degree to guarantee its position on the media agenda.

## **2.6 Limitations of Agenda Setting Theory**

The literature on the agenda setting theory has been beneficial in telling readers what data to focus on but it has not been beneficial to tell readers why this data in specific matter (Ettema et al., 1991). Agenda setting research focuses not on issue options but on the salience of issues. According to Cohen (1963), the main hypothesis in the agenda setting theory is that the press may not be effective in providing people what to think but it is effective in telling its readers what to focus on.

The aggregated approach of the original McCombs and Shaw 1972 does not allow bringing the personal characteristics of their respondents into their analysis Dearing& Rogers (1996) criticized the “aggregated approach” of McCombs and Shaw 1972 saying that it does not consider the personal characteristics of their respondents in their analysis. Therefore, Dearing& Rogers (1996) recommend using a less aggregated approach to enable researchers to have a full picture of the relationships of the important variables in the agenda setting process.

Takeshita (2005) pointed out that the ever growing environment of communication technology and the increasing numbers of several news outlets can diminish the influence of the media agenda setting at the societal level, which in turn leads to a fragmentation of the agenda of the public audience.

## **2.7 Definition of Framing Theory**

Framing is considered a tactic applied by political actors to gather individuals around specific interpretations of issues or problems or to advocate for new ideas. In the journalistic field, frames are the tools that journalists use to ease the processes of organizing and arranging huge amounts of data or information and compile them in an effective way for their audiences (Chong & Druckman, 2007). Frames consolidate the information for both the news reporters and the readers. Framing can also influence the way people develop the connotations they carry to a certain issue (Chong & Druckman, 2007).

Entman (1993) pointed out that framing has two main attributes salience and selection. He sees the function of framing is “to frame is to select some aspects of perceived reality and make them more salient in a communicating text, in such a way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation for the item

described''. Media frames organize the day to day facts (Tuchman, 1978) by giving meanings and explanations to crystal clear events (Gamson & Modigliani, 1987) and through adopting specific interpretations and definitions of current incidents. Framing can be interpreted in both good and bad terms.

Frames in communication can be whether an independent variables or dependent variables. Media frames can be examined as the production outcome of elite press releases, organizational pressures and journalistic practices or they can be examined as existing reflections of audience experiences.

## **2.8 Frames Building Process**

Frames in communication are being built through several approaches. Entman (2004) explained that frames that are developed by the administration create the other frames that are adopted by elites including members of the congress, media channels, and the public sphere. The public in turn react to the initial frame and feedback the media and other communication frames transmitters, who then affect the administration's frames. Entman's cascade model of building frames highlights the existence of multiple actors that try to influence and lead one another in their way to build frames, this point negates the existence of an exclusive one way influence of frames even if there is an unequal influence. There may be an existence of competing frames rather than a dominating single frame (Gamson, 2005).

Frames in communication could not only rely on the ideas or beliefs of the elites only; however, the thoughts of citizens may be incorporated to these frames. Chong (1996) pointed out that audiences are in mind when communication frames are being selected, thus the preferences and views of the target audiences will contribute to the perspectives of the elites. Borah (2011) argued that people develop their own understanding of media messages and discuss public issues by referring back to the resources available to them from common sense, personal experiences and the media channels, therefore, the production of a frame is "multifaceted process in which influences travel in different directions" (Pan & Kosicki, 2001). There are multitude complex factors that enable a frame to control the news discourse, these factors include the journalistic routines, economic and cultural resources and the frame's consistency with cultural and political values. (Borah, 2011).

The frame-building is always in a constant interaction between news reporters and social movements and elites. (Cooper, 2002, Gans, 1979; Snow & Benford, 1992, Tuchman, 1978,).

On the grounds of maintaining objectivity in their work, journalists may refer to frames that balance one another or may oppose each other. Moreover, journalists apply communication frames that serve their news production needs for balance and drama, yet the logic that leads frame duration is a bit more straightforward for drama than balance.

## **2.9 Types of Framing**

Borah (2011) stated that research of communication frames used differentiated frames that are related only to the specific issue under investigation. These multiple unique frames cannot be explained within the context of the generic frames and these may have their own connotation. Nevertheless, the tendency to develop distinctive frames could result in the introduction of very unique frames that will not make any connection to the broader theories or concepts of framing.

De Vreese (2005) claimed that there is an advantage and disadvantage for the issue-specific approach. The advantage is that it enables the researchers to extract a profound level of details and unlock the specificity of the topic or event under study. The disadvantage of analyzing specific-issue frames is the difficulty of generalizing, using and comparing these frames with other frames, a matter that can help in the theory building.

Opportunity frame involves the perception of the pleasant future consequences that an action or process may have and it is embedded in the expectations of forthcoming advantageous results. On the contrary, risk frame is defined as a 'future disadvantageous situation and the belief that an action or process may involve an unpleasant future outcome' (Schuck and De Vreese, 2006). In light of valence framing, the frame casts the same critical facts in either a positive or negative perspective.

Morality frame puts the issue in an ethical evaluation context which requires to determine whether an issue is right or wrong. In the context of financial media coverage, moral treatments may be used to justify arguments about money allocation. The incorporation of moral justification could contribute to the statements or declarations made by players when adding legitimacy to actions that have financial or economic outcomes (Semetko and Valkenburg,

2000). Moral frames are more commonly featured in editorials, opinion pieces or other editorial content, and not in newswire articles (Fiske and Taylor, 2013). Morality frames place issues events, and problems in the light of religious beliefs. Reporters usually apply moral frames indirectly by having someone else question the issue (Semetko & Valkenburg, 2000).

Conflict frames focuses on the conflict of interests between institutions, groups or individuals. Conflict frame usually communicate a complex political debate and always gives a way to the most controversial texts(Patterson, 1993).

Economic consequences frame emphasizes the economic results and then effects on an individual or a community. This kind of frame can grab the attention of the public sphere and arouse the public interest considerably through mentioning the impact of an incident or an issue. (Beaudoin, 2007; Graber, 1993)

Human interest frame or human impact frame as conceptualized by Neuman et al. (1992) captures the audience's attention and interest by using sensationalized headlines, texts and images or by focusing on emotional angles. This kind of frame is quite seen in the news that brings a human face or an emotional angle in forth to grab and retian the audience's interest. (Bennett, 1995; Semetko & Valkenburg, 2000)

Attribution of responsibility of frame demonstrates the method used by a news outlet to portray a problematic issue or event by emphasizing the responsibility of a certain actor and throwing blame on them. This kind of frame let new users hold a group or an individual accountable for social problems instead of holding the government or the system responsible. (e.g. Beaudoin,2007; Iyengar, 1994; Semetko & Valkenburg, 2000).

## **2.10 Identification of Frames**

Through scanning several studies that covered frames in communication, it has been apparent that frames in communication are tangible when an issue or event is being identified earlier (Entman, 2004). Media frames have to be defined in the context of a specific incident or issue or political actor.. Frames can differ from each other according to the topic they relate to and if they



relate to the same issue, different series of time may invoke new or different frames (Chong & Druckman, 2007).

There are multiple approaches to identify frames in communication. There is an inductive approach that grasp frames from the analysis of news stories with the assistance of a previously defined news frames (e.g., Gamson 1992: Neuman et al.,1992).Another approach is the deductive approach which examines communication frames that are already identified and operationalized before the start of investigation.

According to Entman (1993) the identification and examination of frames in media messages can be done through realizing the absence or presence of certain keywords, phrases, images, sources of information and quotes that reinforce the thematic clusters of judgments or facts

### **2.11 Framing Dynamics**

When a new issue is being covered by mass media, its stakes will seem ambiguous to the public and its competing frames will remain unclear in relation to their values. During the formative phases of an issue, each opposing party struggle to prove that their frames are consistent with the core principles and values of the audience.

Chong & Druckman (2007) clarified that if there are communication frames that are consistent with a specific value, it does not mean that these frames work on every situation or topic, and they do not necessarily have the same connotation across different contexts and issues.

Competition between frames in communication allows only the short-term representation of alternative considerations. Frames in communication could be resisted highly, If there is a continuing process of learning in which the audience are able to judge biased and unbiased demonstrations of debates or able to generate freely counterviews against biased frames (Tromble & Meffert ,2016).

### **2.12 Duration of Framing**

Tromble & Meffert (2016) defines frame duration as the repeated choice of a given frame in mass media channels over a period of time and that it provides an insightful longitudinal

perspective that help scholars in examining the reason that lie behind the persistence of some frames while other frames disappear slowly and others fade away very quickly.

Frame duration signifies a determined length of time over which a frame is continuously and constantly deployed. The duration of the frame under study can be measured on any time unit, whether years, months, weeks or days.

The process of analyzing frames over time enables researchers to grasp a more detailed vision of both the complexities of establishing media frames of any issue or incident and the numerous factors that explain such establishment.

The duration of frames is typically relates to two other regularly applied analytical concepts: frame competition and frame change. The duration of frame is much related to the frame competition as the frames that win are the frames that sustain its presence in mass media messages, while the frames that lose are the frames that vanish at very early point than their competing frames. The concept of frame competition can highlight the longevity or the repetition of frames; however it does not emphasize a required attention to the repeated frames.

In the perspective of Tromble & Meffert (2016), the exact duration of counter frames – being selected to maintain balance and objectivity- will rely on the duration of repeating the opposing frames. The duration of a communication frame will be related to its cultural resonance. The degree of familiarity and conformity of the communication frames to the thoughts of the public affect the decisions of journalists and editors to select and repeat the frame over time.

### **2.13 Limitations of Framing**

One particular limitation of the framing theory is the credibility of the frame's source. Druckman (2001) suggested that elites face an obvious and systematic limitation to use frames to influence and manipulate public opinion. Citizens select which frames to follow in a sensible and systematic way. Thus, the source credibility appears to be a key demand for successful framing and the effects of framing neither rely on the frames themselves nor on the elites (frame sponsors) who try to manipulate people. Furthermore, the credibility of the media source strengthens the framing effect. The higher the credible source is, the more influence of the framing effect.

Another limitation for the framing theory is that there is no determinants for the generic frames there are no guidelines that could be used to specify how general a frame has to be. There is no also a shared common definition for the frame effects and a shared common method of frame building. (De Vreese, 2005).

According to Entman (2010), framing biases in media include two dimensions. First, content bias means the constant framing of a certain communication that endorses a specific party, interest or ideology in rivalries to control the power of the government. Second, decision-making bias which refers to the effect of the journalists' belief systems on the articles they produce. Editors or reporters at media outlets let their personal ideologies lead their news decisions. The decision making biases that occur in media texts by journalists are manifested then as routines and norms of the news organizations.

## **CHAPTER THREE**

### **LITERATURE REVIEW**

The researcher was keen on reviewing all the literature that tackled the media coverage of economic incidents or policies in mass media channels in different countries, in addition to the literature that covered the communication of monetary policy through media channels, to benefit from the recommendations in designing the research, identify the unexamined elements or the challenges that faced researchers in past studies and try to address it in this research.

Coverage of economic events in media outlets.

Communicating Monetary Policy

### **3.1 Coverage of Economic Events in Media Outlets**

Both broadcast and print media often communicate negative economic news rather than positive news and those media outlets held themselves responsible for influencing the public opinion negatively and its perception about the economy (Hester & Gibson, 2003). The basic function of

media is to reflect public opinion and trace social changes and because of the right and the need of individuals to be informed of threats in their surroundings, media news tends to cover more negative issues. Media communicate facts as long as they entail consequences for individual's lives.

People deal with economy world on a day-to-day basis; they have daily economic experiences such as obtaining or losing jobs, the ups and downs of stock markets, payment of taxes. Therefore, the perception of people of the status of economy is shaped by what they experience or observations in their daily lives. This matter has contributed to the difficulty of examining the role of economic news coverage in setting the agenda of the public opinion.

By using a second-level agenda-setting approach, Hester & Gibson (2003) examined the media influence on shaping the general public attitudes towards the economy. The scholars investigated the influence of economic news coverage of both print and broadcast media on public opinion, they tested the tone of the economic news coverage alongside examining the relationship between this coverage and the public opinion and the current status of the economy. Some topics in economy, specifically measures of the economic status have been positioned in the top of the public perception of economy such as inflation and unemployment. Apparently, media coverage plays a small role in informing people about the economy and thus the perception of people of the economy is shaped rather by their personal experiences. Nevertheless, media tend to have a powerful role in bad economic times; people are more influenced by media coverage during economic crises. Media outlets tend to frame economic news negatively, less than one-third of the tested news stories included positive information of the economy. Regardless of its valence (positive or negative), media coverage of the economic topics was not found to be forecaster of attitudes and beliefs about economic conditions. Based on the analysis of the content of economic news, it was clear that reporters prefer to include negative angles or consequences for the readers. Even in the positively framed news stories, there may be like a warning alert from financial experts that controls the overconfidence of consumers, which could be seen among the typical warning functions of media channels (Hester & Gibson,2003).

In studying the effects of mass media coverage of the economic news published in Business Week magazine during the normal times and recessions on the consumer confidence index and the current status of economy, Su(2008) has got the same result of the previous study, mass

media can affect the consumer's sentiment, yet it is not that strong. Consequently, mass media reporting of economic events has a second-level agenda – setting influence on consumer sentiment. Su (2008) believed that decisions of policy makers are influenced by consumer sentiment and perception, and to some extent the media powerfully impacts consumer sentiment. Again, the daily experience of people and their interaction with economic incidents have a stronger impact on the consumer sentiment than the impact of media coverage of economic news. The reason that lies behind that matter is that people create their perception and belief about the economy through their real lives, such as employment, incomes and consumption. People shape their expectations about the economic situation much more during high season of news coverage than during low season of news coverage.

Usually the high news coverage of the economic events takes place during and after recessions and economic slowdowns. The impact of mass media coverage on consumer confidence index CCI surpasses the real state of the economy in hard times of economy compared to normal times, which means that second-level agenda – setting effect of mass media on public perception of the economy is much higher during periods of economic slowdowns and recessions (Su,2008).

There are some situations where the media agenda cannot change or shape people's agenda, which can explain why the media coverage of economic news did not affect neither the public opinion nor CCI. The interest of people in issues changes over time. Public attention is usually drawn by historical events and thus it interacts with the agenda-setting process. The press or the media in general do not provide a consistent coverage for certain issues. Public's attention on some important issues can be distracted or focused by the intervention of the public officials. There are sometimes "pet" issues which people perceive as the nation's most important problems. Also, the media agenda may be influenced by the audience agenda and in some cases media outlets affect each other in terms of reporting the same content (Su, 2008).

Another study confirms that there is a dominance of negative tone over positive tone in the media coverage of the economy and it has a long-term effect on the long-run attitudes of audiences and their pessimistic expectations of unemployment. The bias in media coverage of negative news affects people's perceptions of reality. Garz (2013) applied media content analysis to investigate the relationship between the negative economic news coverage, especially the repeated coverage and the pessimistic expectations of unemployment in Germany. Garz(2013)

noticed that repetition leads to accumulated effects and assists readers to recall information and communicated viewpoints. Normally people create their thoughts based on the accessible data. Garz (2013) used the media dependency theory as a base to ratify that economic news coverage affect unemployment expectations through transmitting information that has an extensive influence on the knowledge of individual when he has limited alternative sources of information such as interpersonal communication and personal experience. Garz (2013) draw the attention to some crucial points, the effects of the Agenda setting theory, he argued that the immediate influence of this theoretical approach can run from a few days till two months with bearing in mind the topic, the medium and the frequency of measurement. Nevertheless, Garz (2013) differed from other scholars who believed that personal experiences are the most important base that people use to form their beliefs about economy. Garz (2013) holds the news media accountable and responsible for communicating information about the economy because there is no other source of information other than news media. People rely heavily on media coverage to develop their economic expectation and to make the economic decisions and further, if media provide biased coverage and expectations, both welfare and economic efficiency may be affected negatively.

From 2002 to 2010, Lischka (2014) compared the tone, volume and topics of economic news in TV news, commercial broadcaster and tabloid newspaper in Germany to prove that news content are determined by the revenue model incentives, which means that journalists select and interpret newsworthy material upon their goal to make profits and to draw people's attention to advertisers. In an attempt to attract more audiences or readers, commercial and public media outlets communicate commercialized content with different degrees. This competition resulted on "market-or consumer driven news reporting". On a relevant note, the organizational level and the current status of media organization determine the journalistic outcome and direction. Consequently, journalists tend to edit news in a sensational way. During tough times and specifically the financial crisis, commercial media outlets published topics that touch the daily experiences of consumers. In general, results of Lischka (2014) conform to the results of previous studies. Economic news seems to have negative tone in TV news. Also, neutrality was absent in both public and commercial news. Commercial news tends to respond more to the needs of the readers compared to the public news.

The media plays a crucial role in determining the importance of the economic news. Media coverage of economic news contributes significantly to influencing economic perception and evaluations even if the effects of real economic conditions have been controlled. Therefore, public perception of economy will be a dependent factor on the negative media coverage of economic news and consequently the public will conceive the economy more negatively. The media effect on the public evaluations of the economy is highly recognized when economic indicators are mixed or not clear. This will lead to the availability of a variety of interpretations of economic incidents reflected in the media channels. (Goidel & Langley, 1995).

Over 54 weeks, Geiß, Weber, & Quiring (2016) analyzed the framing process of economic policy after the bankruptcy of Lehman Brothers (2008–2009) in German media outlets to detect the dynamics of frame struggles. They concluded that the success of frames is dependent critically on the status and resources of the frame sponsors and the cultural significance of frames. The frames that were highly linked to these two criteria found to be more competitive and were capable of suppressing and displacing alternative frames.

There are some established frames that controlled the media coverage of economic event that was tackled by Geiß, Weber & Quiring (2016) in their study. These frames did not change along the study; they remained constant yet they competed with each other in dominating the news stories. Under the theme of “Bailout” that emphasized the role of the government in saving the economic situation and corporations, there were three frames, “Boost the economy” that highlighted the attempts of providing economic stimulus packages and its role in solving economic crises. “Tame the Economy” frame that portrayed regulatory measures that were developed to ban similar crises later. “Let the Government Fix It” that promotes for the governments’ management of crises and its contribution to the bailouts of corporations. Furthermore, there was a “Mixed” frame that various frames at the same time. The sources of frames are knowledgeable or prestigious social elites such as politicians, government officials and industry experts. The views, perspectives and interests of these sources are highly reflected in the frames. The power of the frames emerges from its linkage to culturally established beliefs, especially beliefs that confirm the adequacy of the economic order.

The frames that are sponsored by the government, the financial economy and the industry were more powerful than other minor frames. The uncertainty of the economic situation drives

journalists to adapt and develop their framing strategies accordingly. Thus, when there are controversial views of economy and the elites are agreeing with each other on the beliefs of the economic policy, the frames adopted by the media outlets illustrate consensus regarding the economic and social order generally.

Diversified messages do not ensure comprehensiveness or application of media framing. Frames in media channels mirror reactions to the economic crises or to the media coverage itself. The content of frames can rely on the established cultural beliefs or the “self-interested frame sponsors” and the journalists’ attempts to counterbalance several beliefs. These contents are known to guide news discourse in general. Frames that are stable in media coverage and news stories are a reflector of the stability of the prevailed discourse.

Since actors compete with each other for media exposure or public demonstration of viewpoints and acceptance by the audience. The strategic decision of a social actor leads to the framing of an issue or an event in a particular frame. There are three major sources that determine the success or the failure of frame building process such as “external influences”(important incidents), the “status of frame sponsors” and the linkage between the “the frame sponsor’s self-interested positions with culturally resonant ideas”. Framing is developing perceptions of real events, which involves social constructions to some extent.

Controversial frame building processes exist in the coverage of economic policy when there are interventions from the elite actors such as (government, banks, industry experts, labor unions) and the interventions of representatives of culturally significant ideologies (socialism and liberalism).

Damstra & Vliegenthart (2016) agreed with what mentioned earlier. All newspapers make use of the same frames. Newspapers covered the economic crisis in the same way, regardless of their different readership and background. Nevertheless, frames differ in their presence and appearance across media outlets. Damstra & Vliegenthart (2016) debated that unexpectedness of incidents is a strong reason for news-worthiness rather than the negative consequences. Novelty grabs the public attention for the crisis rather than the severity of the incident. Elite sources in finance were highly used by journalists in their media coverage of the economic crisis, the matter



that resulted in a unified media interpretation of the crisis and prevented the presentation of different voices.

Al Otiabi (2015) found out that a large proportion of the Kuwaiti economic news of the stock market adopts the values of novelty and excitement. A large part of this news urges the public to invest in the capital markets through its exciting and incentivizing content; however this news does not provide a clarification for the investment risks in the stock market, especially for new investors. Kuwaiti newspapers have allocated more spaces for big stock market companies and large banks to report on their profits and the meetings of their board members, while allocating small spaces for small stock market companies.

Reporting on the stock market news increases when the capital market is active and the trading values increase. On the contrary, the coverage intensity of the capital market decreases when the trading values and indices are falling down. Al Otiabi (2015) believed that the economic events are fast in nature which in turn lessens the usage of news stories in coverage because the economic topics even when they last for couple of days, they will be inevitably subjected to new updates and facts. The Kuwaiti news reporters used public officials as sources in their coverage especially when they report governmental decision related to the economy.

Zaki (2012) reported that the ownership of Egyptian publications (national, partisan, private) was a major factor in determining the frames of economic reform issues in Egypt. She mentioned that national and private publications tend to use the same frames with a slight difference. Both frames appeared in the national publication (Al-Ahram Aleqtesady), the responsibility frame which indicates the government's responsibility to carry out the economic reform and the gain frame that result from the economic reform policies adopted by the government. The same frames appeared in the private publication (Al-Alam El Youm) along with the Interest frame that indicates the needs of the private sector to complete projects. The partisan publications represented in Al-Wafd and Al-Ahali heavily criticized the government policies and the economic reform program and they called for the implementation of an economic liberal policy that boosts production, investment, trade, free completion, prevention of monopoly, equity in income distribution, fair taxing system, ease the burden of living for low income families, provision of basic services. Thus, they used the loss frame to highlight the losses resulted from inadequate government economic policy at the public and individuals level and the responsibility

frame that hold the government accountable for increasing economic problems and ignoring the basic needs of citizens. Despite their high criticism of the government economic policies, the partisan publications did not provide any alternative views or solutions for the economic reform. Zaki (2012) concluded that private publications are not independent but on the contrary they are following the same direction of the national newspapers and that is because of the control of businessmen of political and economic life, especially those who are close to power.

Zaki (2012) criticized the absence of explanation, further analysis for sophisticated economic terminologies in the media coverage of all Egyptian newspapers and dealing with readers as if they already know and understand these complicated themes. She realized that the official sources were dominating the media coverage of both international and local publications and both publications did not tackle the economic development plans in their media coverage.

Zaki (2012) explained that the frames of international publications such as New York Times, Financial Times and the Economist were thematic frames that provide a background and explanation while the local publications provided episodic frames that tend to cover an economic issue separately. The political frames especially the political tyranny frame (condemning the state for not involving private sectors and civil societies in drafting economic reform policies) dominated the media coverage of the international publications for Egypt's Economic Reform policies. New York Times reported that the economic reform program is not serious as long as there is no political reform and it provided a negative image for the Egyptian government when it ignores the challenges of the low income people. The Financial Times reported that the economic reform procedures in Egypt represent good steps. The international and Egyptian partisan newspapers had common frames in their coverage such as the rights frame that indicates the rights of low income people and the responsibility frame that highlights the role of the government in providing better policies to support the economic and social life in Egypt.

The media coverage of Al-Wafd is fully consistent with Al-Wafd party policies. High prices and increasing rate of poverty were the major economic topics that have been covered in Al-Wafd newspaper. It always calls for the improvement of the economic conditions that contribute to the improvement of the Egyptian's living conditions. In its media coverage, Al-Wafd pointed out that peasants and workers are responsible for bringing about social security and development, yet they are the most affected social categories by the economic policies in Egypt. (Al-Nahas, 2016)

Al-Sherif (2013) mentioned that during economic crises only businessmen use economic news websites more than economic newspapers because of their instant media coverage, high interactivity, easy access, rich information, but they prefer the media treatment of economic print media in normal conditions because they are enriched in economic analysis. Businessmen check the news of the stock market at the first place whether in the economic newspapers or news websites then some other topics such as taxes system, business insurance, licensing and lending system. Al-Sherif (2013) added that businessmen were keen on monitoring the effects of the economic crisis accompanying the 25<sup>th</sup> January revolution on their businesses. The media coverage of local economic newspapers and news websites was superior to the coverage of the Arab and international outlets because they much more focusing on the domestic economic affairs.

Mahmoud (2016) clarified that specific economic news such as the stock market and the investment came in the forefront of the press coverage of Egyptian news websites. Meanwhile, the issues that affect the daily life of citizens such as salaries, subsidies and price did not have the same priority of coverage in news websites. There were no any illustrations or explanations provided by these websites when they covered specific topics such as economic reform program, Egyptian pound price, IMF loan, stock market news, Islamic banking instruments and their impacts on people. Mahmoud (2016) explained that the political atmosphere influenced the media coverage and the content of these news websites, economic issues have been discussed from a religious perspective when the political power was in the hands of the Muslim Brotherhood, which in turn influenced badly the objectivity and the logic of the communicated economic news. The economic procedures were judged either religiously legitimate or illegitimate. The frames that were controlling the economic news during Mohamed Morsi presidency were conspiracy frame and responsibility or blame frame that blames the regime of Hosni Mubarak for bad economic results. News websites did not provide a serious economic discourse but only communicated governmental promises for better economic conditions, along with criticism and doubt from the opposition and reporting on demonstrations or sit-ins that have economic and social requests. Mahmoud (2016) concluded that the content of social media networks did influence the government performance positively while the content of the news websites did not influence the government performance.

Doudaki et al. (2016) identified that the dependency frame (that focus on the relations among the main actors) in the news stories they analyzed bailouts of Greece media outlets portrayed Greece as a weak dependent on the Troika (EU, IMF, Germany and its allies) for its economic recovery, while the Greek government and the big political parties seemed to have some capacity to solve the economic problems but their capacity was weaker than the troika's.

The dependency frame in the study of Doudaki et al. (2016) illustrated that the domestic players are weakened and their actions have weak effects, the ability to save the country is dependent on external players. The (none) liability frame that emphasizes on the associations among the causes of the crisis and the main actors seemed to be limited in the news stories as the discourse on the liable political liable actors for the economic crisis was extremely narrow. The liable frame infers that since there are actors who are responsible for the adoption of painful measures which the country is forced to apply, they are the ones whom should be hold accountable for their brutal or cruel bailout policies. In the context of austerity, powerful actors who will rescue Greece through the fortification of neoliberal policies and the adoption of strict austerity measures since the state-protection policies proved to fail. There was no alternative and no other measures will prove its effectiveness. Doudaki et al. (2016) found out that austerity coined with areligious devotion, seemed to be the only way to the occurrence of financial recovery; however it has been associated with the structures or the mechanisms of the economic system, as if Greece economic crisis is created independently from the political and economic conditions.

In general, the roots, effects, solutions and players of the crisis appeared largely disassociated with the broader structures and the factors that created or affected them even when these elements of this crisis were present. Also, the variety and the number of related cases, effects, causes and solutions provided in the discourse of the crisis and the bailouts were gradually lessened in the media coverage. Doudaki et al. (2016) stated that the dominance of institutional organizations on the news as frame-providers and sources was highly recognized in the contradictions between identified causes of the crisis and the proposed solutions and the fading appearance of the crisis factors. This assumption supports the frames in reinforcing the hegemonic discourse of the necessity and imperativeness of the bailout policies for Greece.

Svensson et al. (2017) investigated the exposure to ambiguous economic news and its impact on the uncertainty and consumer confidence through using the economic consequence frame. The

researchers believed that this frame is applicable in identifying ambiguity. The economic consequence frame is commonly used in news stories and it reports a topic in terms of the economic consequences it will have on a country, region, institution, group or an individual. Svensson et al. (2017) assumed that ambiguity can exist in the tone of the story whether a positive or a negative story to analyze or evaluate the economic situation. They found that ambiguity was an integral part of news stories as the journalistic practices focuses on both negative and positive attributes of news stories. The few main repertoires that journalistic representations focused on, were the debates of economic experts, the economic interdependencies of the financial institutions and the internal governmental decision making process that explains the mentions of political actors or activities. The presence of both negative and positive tone in news stories may make it hard for audiences to evaluate the economic environment.

De Vreese et al. (2001) focused on two sets of potential stimuluses that guide how an issue is covered in news. An internal stimuli that includes journalists' perceptions and personal and professional values on a level and organization attributes on the institutional level. An external stimuli comprised of the nature of the issue itself and the specifications of the economic-political context. The researchers remarked that although journalists were prone to focus on conflict frames in reporting either political or economic incidents in all of the countries, journalists in most countries under study were more prone to emphasize economic consequences more than conflict in covering the euro launch. In the news stories that covered the euro, the conflict frame was less prevailing than it was in economic and political news in general.

De Vreese et al. (2001) indicated that there were two issues and context-specific elements that let the journalists focus on the economic consequences frame rather than the conflict frame. First, the institution of the euro was an accomplishment the scenarios of panic or crashing stock markets did not appear in the news covering the launch. The introduction of euro was carefully planned in advance and staged and it went in a very smooth way. Second, regardless of the debates that took place around the introduction of the euro in some countries such as Germany and the Netherlands years ahead, the actual introduction of the euro was simply based on a long term planning.

Newman (2013) figured out that framing does not alter the content of a certain consideration but change the weight of such consideration and that attribution frames can also lessen the weight of considerations, specifically the weight of economic considerations, which normally have a strong influence on the evaluations of a country's president. Frames that make a specific idea accessible but not matching the receivers' belief do not always boost the impact of the communicated idea. Newman (2013) concluded that framing changed the perspectives of how much accountability Obama held for the struggling economy in late 2010. There are several factors that limit the impact of attribution frames, including the popularity of a president, the policy context in question (domestic versus international) and the power of opponents' frames.

James & Boukes (2017) examined the media coverage of the economic climate of the East African Community in the Chinese and Western Media outlets from 2005 and 2015. They determined and analyzed the following frames: risk, opportunity, morality and valence in four news outlets. They found out that opportunism was featured more significantly than risk in Chinese and Western media outlets and this has increase the positive image of the east African community. Nonetheless, the Western media framed the East African Community more in terms of prospective risks than the Chinese media did. The Western media incorporated the voice of the African actors more often and that has led to frame the East African Community in a less optimistic manner.

Frames in translated media messages bears traces of ideological disparity between the east and the west, it does not only communicate the authentic or original text as it is. Moreover, frames accommodate the political, economic, ideological, linguistic and journalistic contexts of the country that is supposed to receive the translated messages via media. Although the Chinese media tend to label an event as a positive or a negative event, the Chinese news media favored at the end a positive approach in translating and publishing economic news about China. Liu (2017) discovered that the frames of the translated news tend to conform to the predominant frames of the target country. Thereby, translating news does not require merely trans-editing but requires trans-framing or a "translation-mediated framing" whose effects that are abstracted from the target text and the target audience, will be far-reaching.

In regards to the factors that control the frames of economic news, the economic policy and the type of the newspaper seem to have a big impact on these frames; they determine the economic

and thematic consequences of economic events. In their study of the factors that have an impact on the frames of the print economic news in post-communist Bulgaria, Kostadinova & Dimitrova (2012) reported that the frequency of delivering human-interest frames in the economic news is influenced by the theme of the economic news as well as the political environment. Human-interest framing is much notable in stories that communicate economic issues of a high controversial degree. Media frames have a significant and consequential impact on the audiences' opinions, attitudes and perception of different issues and events.

Mercille (2013) examined major European newspaper's stories from 2008 to 2013 to investigate the European media coverage of the Argentinian experience. Argentina defaulted its debts and afterwards devalued its currency by abandoning the peso-dollar peg in 2001. Since then the Argentinian economy rebounded and has grown much stronger. By applying a critical political economy approach, Mercille (2013) found out that the Argentinian monetary policy benefited from previous experiences that examined the outcomes of the currency devaluation, the sovereign debt and fiscal consolidation on economic growth. Nonetheless, the European media outlets provided a distorted image of the economic recovery of Argentina and misrepresented the lessons learned from its economic reform decisions by focusing on the negative outcomes of the default rather than presenting its advantages and by casting the light on the increasing commodity export prices and ignoring the domestic policy decisions that aims to simulate the economy. The media channels opposed the government interventions in the economy regardless how beneficial they are and they exaggerated in just communicating the negative consequences of inflation. This biased media coverage stems from the media's ideology that does not welcome the implementation of austerity policies in Europe.

In a competitive media market, general daily newspapers which target general audience will increase their appeal to get more audiences through personalizing their media coverage and let readers be engaged with the personalized features of the events or by focusing more on the human interest frames of stories. The press reporting of economic policies such as privatization and price liberalization did have an immediate and adverse effect on people while the media coverage of long-term economic policies such as institutional reforms did not have a remarkable impact on people. Therefore, newspapers are more likely to apply human interest frames in their coverage of privatization and price liberalization (Lott Jr et al., 2014).

Media frames can have different influences on people because of their different personal knowledge besides the several characteristics of the economic events and the people's varying experiences with economic issue at hand. Generally, media outlets provide audiences with frames of reference that offer specific interpretations or portraying of events and create linkages between these events or issues. The press model or reporting style adopted by the media organization or its organizational factor (primary focus whether it is a general media outlet or an economic specialized media outlet) affects the way it frames news. Kostadinova & Dimitrova (2012) claimed that general Bulgarian news outlets provided episodic frames of economic events that lack in-depth analysis and detailed context.

On the contrary, specialized print media provided thematic frames of economic news that give the readers a thorough explanation of economic reforms and its complexities. Media outlets customize the framing of the story to their target audience because they are subtle to the perception and influence that their news coverage might provide to their readers. Consequently, media outlets apply human-interest frames when they want to interact with readers and to make their news memorable, while they apply conflict frames when they report on contentious issues. In studying the impact of a three influences, or three crucial sources of information personal experiences with economy, economic frames of media, and interpersonal communication on learning about the economy, it was apparent that the exposure to media coverage of economic consequences and that interpersonal communication about economy both have positive outcome on learning about the economy (Kalogeropoulos et al., 2015). However media effects on learning about the economy is reduced when the negative experiences of people combine with their extensive interpersonal communication. Individuals who do not discuss economic issues or do not engage in economic talks with their peers are the most people who are affected by the media frames of economic topics, while the influence of media declines when the level of interpersonal communication increases and people get engaged in economic discussions on a daily basis. The dependency on media at that time lessens because people have a lot of experiences with economic issues (Kalogeropoulos et al., 2015).

When people are more exposed to the economic consequences frame in the news media, they basically shape their thoughts, perception about economy based on these frames, media outlets frequently use this kind of frame to demonstrate the cost of implementing public policies and it



reflects its outcomes in terms of profit and loss. The economic consequences frame proves its efficiency when the aim of the media coverage is to raise the economic knowledge and awareness of individuals (Radu& Ștefăniță, 2012).

The frames that were used in portraying the economic crisis were “Business frame” that relate the economic crisis to setbacks of the companies, “Financial frame “that locate the economic crisis in the financial sector. “Individual frame” that explains the effects of the crisis on individuals and it appears whether in personal stories or in narratives of general developments. “Moral system frame” that relates the crisis to the moral deficiencies of the financial system and to the greediness of people driving this financial system (Radu& Ștefăniță, 2012). The frames that were used in covering economic news in public and private newspapers were homogenous in terms of phrases, arguments, metaphors and the sources quoted. There were differences in the degree of intensification of certain frames and in providing alternative viewpoints (Radu& Ștefăniță, 2012).

Responsibility frame was prevailing in covering the economic crisis. This frame urges the need for managing the crisis through identifying ideas and solutions. It promotes for the idea of chasing and punishing those to blame for the shortcomings of the economic situation. This approach has proved its effectiveness in the short-term, yet it is destructive in the long run because it steers the attention of the public opinion to chasing those to blame and who are guilty (Radu& Ștefăniță, 2012).

There are two interrelated factors that define the mass media's involvement in covering economic crises. The first factor is quoting political and economic elites to magnify their views in the society, set the agenda of public opinion and build frames that define the public understanding of the public issues. The second factor, mass media outlets profit from public sights in providing different views. The mass media demonstration of specific economic crises is politically and economically oriented because the interests of media are connected to those of political and economic elites(Radu& Ștefăniță, 2012).

Bickes et al. (2014) studied the German and English media coverage of the financial crisis in Greece Spain and Italy. They found that the population of the debt-burdened countries receives much more sympathy and the audience focus their attention to the suffering of those who live in

the crisis hit countries as the crisis deepens. The German and English magazines communicated stories of unemployment, poverty and desperation. Bickes et al. (2014) found that the German magazine “SPIEGEL” covers the crisis in a similar way to the majority of the German news outlets. In order to justify Merkel’s political actions, it play’s with the readers’ fear of the possible breakdown of Eurozone. The German magazine used frequently a specific metaphor ‘The euro countries’ are rescuers to provide Germany and its political leaders with a good image.

Quiring & Weber (2012) argued that economic news presented dominant news of information for the public and as powerful factor in making economic policy legitimate during the financial crisis. They noted that the cost-benefit frames that were used by the German news media to reject and support the government intervention do not have a potential impact on the public opinion. Two factors control the effectiveness of the cost-benefit frames, the content of a news item itself and the recipients.

### **3.2 Communicating Monetary Policy**

The effective communication for a monetary policy can play a great role in shaping the public’s expectations, eliminate uncertainty, and hold the politically independent Central Banks accountable. (Stiglitz, 1998; Blinder et al., 2008; Dincer and Eichengreen, 2009).

The ultimate success of a policy decision may rely on the ability of policymakers to convince its target audience that the decision was indeed suitable. In an attempt to know how Central Banks are being able to get their messages out through the media as an intermediate device and the effects of this device on the views and the behavior of the public, Berger et al. (2011) analyzed how print media communicate the European Central Bank (monetary policy decisions in a favorable way. They found out that the critical monitoring role of the media tends to be more negatively when inflation exceeds the inflation target, which underlines the serious monitoring role of the media, even when the communication of ECB is intense or the information content provided by ECB press conferences is thorough.

The challenge for the Central Bank, a monetary policy institution, is the high diversity and largeness of its target audience. A segment of their audience can be easily reached, which are the financial market participants, “they are highly sensitive to direct Central Bank communication”. Other segments are difficult to reach out to them, such as the general public whose inflation

expectations feed into the actual evolution of inflation, for example through reporting wage claims, savings, investment, and decisions of consumption. Nevertheless, it is rare to find the general public reacts directly to Central Bank communication, but it gets its news in an indirect way through media channels.

Three factors influenced the press coverage of monetary policy decisions, the policymaker, the general public's preferences and the print media itself. Berger et al. (2011) argued that the press tackles critically the ECB's policy decisions in the realm of previous market expectations and of the inflation context. The tone of the media coverage tends to be negative, when financial market analysts are surprised by a given policy decision. Consequently, the higher the inflation is in the euro area, the less favorably the current ECB decisions are in the press discussions. Moreover, the results of Berger et al. (2011) showed that the Central Bank can control the perception of its decisions and actions in the media. They found that the ECB press conferences that provide a large informative content result in more favorable press coverage. Their results suggest that monetary decisions receive a more positive coverage if they have been complemented by a large number of statements or quotes for the ECB president in the prior intermeeting period.

The press reporting seemed to be responsive to the efforts of the ECB to clarify the reasons behind a given decision. This case happens normally for sudden policy decisions that surprise financial markets. The reception of these surprising decisions is less negative if they have met with critical media reporting and if the subsequent ECB press conferences are informative of all rationales behind these sudden decisions. More frequent communication from the ECB side on monetary policy inclinations leads to a better understanding of the decision and to a more favorable and more extensive press reporting, but press reporting becomes less favorable if a decision is taken in an environment of relatively high inflation and it is unanticipated (Berger et al., 2011).

Berger et al. (2011) realized that the history of inflation plays a role in determining the tone of media reporting. They found those European countries that have had higher inflation report historically, their media channels tend to report more negatively.

Many Central Banks have begun to develop communication strategies that are tailored for a broader audience as a consequence of the increased recognition of Central Banks that less public

communication limits their ability to reach out to the public sphere. Communication can boost the effectiveness of a certain monetary policy by influencing anticipations and behavior. The effective communication with households is necessary for good governance and its absence may result in a public dissatisfaction and calls to reduce the power and independence of Central Banks. Typical households form their expectations and understand the implications of macroeconomic dynamics based on the Central Banks communication with them. (Binder, 2017)

Price stability are not effectively communicated to all households compared to the professional forecasters and financial markets. This is a reflection of the imperfect knowledge of general households and this may alert Central Banks on the difference between approaching sophisticated financial agents and approaching general households. (Binder, 2017)

Professional forecasters and financial markets are highly knowledgeable of the fed's inflation target, therefore improving the degree to which their expectations are anchored equals improving credibility. In contrast, for many general audience improving anchoring needs more information or more accessible communications.

A significant emphasis is being placed by the Central Banks on their communication strategies and in particular on their efforts to anchor inflation expectations. There are two factors that contribute to the low receptivity and attentiveness to Central Bank communications, "the low economic literacy and the high complexity of many monetary policy statements".

Effective communication of the monetary policy with the public is "a precursor to accountability".(Siklos, 2011)

Fry et al. (2000) found that 74% of surveyed Central Banks consider transparency to be vital or crucial to monetary policy. The proof on that will be more Central Banks publish macroeconomic forecasts and clarifications of policy decisions (Geraats, 2009). Blinder et al. (2008) stated that independent Central Banks have to explain their policies and the reasons that underlie those policies. This will be a translation for the increased transparency and accountability of Central Banks Policymakers of the European Central Bank explained that the meaning of transparency is simply more than an information release, as this does not help in providing a better understanding of a monetary policy.

Kumar et al. (2015) studied how the Central Bank communicates with the public in New Zealand and they found that a very few number of households read monetary policy reports, receive twitter feeds from the Central Bank. Kumar et al. (2015) argued that this lack of basic knowledge about the Central Bank led to the design of monetary policies that operate within changes happening in the public's expectations which are considered to be unlikely very successful.

The public audience should have an incentive to be attentive to the Central Bank communications. They have to believe that this communication will support them in making decisions. They have to understand the role that the Central Bank plays in determining the economic conditions and to understand the macroeconomic variables mentioned in Central Bank communications, so that they would be more attentive (Kumar et al., 2015).

Another factor that determines the receptivity of household to Central Bank communication is media coverage. Central Banks together with the Fed have started to integrate new media such as Twitter in their communication activities, but these activities so far have resulted in a small reach. Thus, communication via these new media should continue to be assessed and refined (Kumar et al.,2015).

A Central Bank that is obscure does not give the market a way to ground perceptions about monetary policy in reality and therefore allows some exceptional bubbles to make the consequences of its policies hard to predict. Communication is about providing agents with certain types of data about how the Central Bank regulates its nominal interest-rate setting. This kind of information helps in simplifying the forecasting problems for agents and let them coordinate expectations about several macroeconomic variables in an appropriate way (Kumar et al.,2015).

Without communication activities, policy does not succeed in stabilizing macroeconomic or promoting expectations- driven fluctuations. On the contrary, when the details of the policy process or only the variables that conditioned certain policy are announced, stability is restored. Communication allows agents to build more accurate forecasts, stimulate greater stability in observed output, nominal interest rates and inflation. Agents may have imperfect information of monetary policy strategy, and then there will be an important role for communication because perspectives of these agents may be inconsistent with policy objectives (Kumar et al., 2015).

Central Banks have to announce the desired inflation target and the systematic actions that will lead to it as well because economies with persistent shocks are inclined to expectations driven fluctuations (Kumar et al., 2015).

According to Milton Friedman (1947, 1968), stabilization policy is implemented within the presence of two informational frictions. The Central Bank has inadequate information about the current state of the economy and must forecast the present-day inflation rate and output gap during regulating the nominal interest rate in any period. Firms and households do not have a full picture of the macro economy; they know only their objectives and constraints. They do not know how aggregate state variables that include interest rates are set. Their forecasted variables are relevant to their decision problems and to their extrapolation from historical patterns in observed data.

Bell (2005) explained that the communication of a monetary policy committee at the Bank of England may be clear in sharing knowledge and asymmetric information, yet this does not mean that economic surprises can be entirely eliminated. There are certain factors that militate against the simple expression of the growth outlook, interest and inflation rates such as the complex nature of the issue itself, the potential outcomes, the uncertainties and risks. Communicating a certain policy that has not been communicated by many other Central Banks represents a challenge for the monetary policy committee. The monetary policy committee of the Bank of England communicates its policy through many ways that start with a monthly interest rate announcement sometimes accompanied by a statement, then a quarterly inflation report that provides a detailed assessment of the economic environment, the growth and inflation forecasts of the committee, and the detailed risks and uncertainties. This quarterly report is followed by a televised press conference by the bank's governor. Members of the committee give media speeches and interviews, they are called before the parliamentary committees, the treasury select of the House of Commons and the economic affairs committee of the House of Lords. Another communication tool is applied when the inflation rate deviates from its target by more than 1 percentage point, the bank's governor is required to explain in an open letter to the chancellor why this has happened and the steps the committee suggests to take in response, the estimated period for the inflation to return to target and how these steps meet the objectives of the government's monetary policy.

Jenkins (2004) assured that communication plays an important role in the implementation of monetary policy, and based on an effective communication, Canadians are sure that inflation rate will be reserved near the 2 % target, an expectation that has fed into their daily decision-making process. Jenkins (2004) pointed out that the challenges of communicating monetary policy such as its conditionality and forward-looking can be addressed through adopting new technologies. For instance, that Bank of Canada developed a website that provides an equal treatment of target audiences. The website offered the specialized audiences and the general public releases, publications, speeches and technical information and more explanations about the bank and the monetary policy. He stated that a clear statement of the target inflation will let consumers, investors, businesses; financial market participants adjust their behaviors according to the belief that the expected inflation will be typically in line with the inflation target. Consequently, prices, wage, and financial market participants will be consistent with the target and then a stable macroeconomic atmosphere will prevail. Communication of the Central Bank is also necessary in judging the Central Banks performance and its accountability. The explicit inflation target is the basis for the accountability of Bank of Canada. For the Central Bank to be fully accountable, he has to communicate the policy objective, the progress and the challenges that arise in the economic environment and the factors that are considered in making decisions.

Paiardini (2014) studied the effects of the public macroeconomic announcements and the European Central Bank's monetary policy statements on bond returns for the Italian government bond market. He found that 25 news did have a significant influence on the bond returns and almost all announcements are incorporated into prices within 20 minutes from the release of the news.

Lapp & Pearce (2012) found out that economic news make changes in asset prices and that the timing of the meetings of the Federal Open Market Committee increases the impact of the news on the expected changes in the monetary policy. They argued that the market reactions depend stronger on the state of the economy and that there is no a strong proof that the market reacts in a different way to positive versus negative surprises. The news of a higher inflation than expected or that the employment rate is stronger than expected lead to changes in the fed funds target, yet Lapp & Pearce (2012) noted that the federal funds futures market has a slow reaction to some

news, especially news of inflation with significant effects taking place during the time frame from fifteen minutes to six hours after an announcement.

The study of Burkhard & Fischer (2009) indicated that communication is an important tool for monetary policy, especially in unusual conjunctures. They recommend for Central Banks to talk frequently and clearly to their target audience and that before the interest rates reach the lower bound. They took the zero bound as a case study and they found that the Swiss National Bank (SNB) adopted an open communication strategy and it did allow several references to foreign exchange interventions as a policy option. Burkhard & Fischer (2009) found that powerfully worded references had the ability to generate a market response that led in a few hours to the depreciation of the Swiss franc.

Hüning (2017) analyzed the effects of the press releases of Swiss National Bank (SNB) on assets prices. His analysis covered different monetary policy news in press release and press conferences that follows any monetary policy decision. He realized that medium and long term bond yields change according to the communicated inflation and GDP forecasts along with the degree of pessimism that exists in press releases. Hüning (2017) found that exchange rates are the most responsive to changes in the GDP forecast, while stocks do not respond to the announcements of Swiss National Bank about monetary policy. He added that the short-term expectations of the future path of the policy are determined by the announced inflation forecast. The study of Hüning (2017) emphasizes the role of qualitative news together with the quantitative forecasts in shaping market expectations and influencing assets prices.

Hughes et al. (2014) highlights the importance of knowing and understanding which aspects of monetary policy news has an impact on the financial market expectations and asset prices is essential when designing an optimal communication strategy for Central Banks. His study illustrated the success of SNB in shaping the market expectations about the future path of the policy.

Lucca & Trebbi (2009) explained that communication is a crucial tool for Central Banks to influence and shape market expectations. Recently, communication has become more important policy instrument since the Central Banks main policy tool (steering short term interest rates) reached the zero lower bound.



Velthuis (2015) argued that the role of the media as a neutral transmitter of information and as allocated in the communication policy of the European Central Bank (ECB) struggles with news frames, prevailing news rules and the reward systems in the journalism field. Both Central Bankers and journalists were conflicting with each other in order to manipulate markets with their communication. Nevertheless, as a result of the quiet revolution that took place in monetary policy at the end of the millennium, Central Banks became more dependent on journalists to create a new market order; this revolution led monetary policy to be less remarkable for reporters because of several reasons such as depersonalization, resultant predictability.

Velthuis (2015) mentioned that during the financial crisis, the general media brought the European Central Bank (ECB) to the front pages temporarily because of its actions that aimed to keep the financial system the financial system afloat. Velthuis (2015) highlighted that what render Central Bank interesting for the media are drama, high stakes and a lack of predictability. He also clarified that business or financial reporters do not operate only as interpreters or observers but their role extend to be an active participants.

Taborda (2013) criticized that the data on market intervention are available for public only on a monthly basis even though the Central Bank can intervene on a daily basis. Taborda (2013) noted that this represents a challenge for the timing of the relationship between news reporting and policy intervention that aims to provide an appropriate econometric identification. He added that the Central Bank in Colombia intervenes in the market on its own and not because of external pressure from the media.

Bennani (2015) in his study alerted that the European newspapers' coverage of monetary policy issues revealed the persistent heterogeneity between the members of the European Union on political and economic issues, and therefore on the several resulting policy preferences between European Central Bankers within the governing council of the European Central Bank.

Neuenkirch (2014) mentioned that the more time that has passed since the last news coverage of information for the Central Bank, the more newswire coverage of this information will be as an information update. The fed communications will receive less newswire coverage during the release of macroeconomic news such as trade balance, employment report, ISM index because on these days other important information would make the coverage of these news less likely.

Speeches of Fed presidents have to provide new interesting information or to be communicated during a time of certainty or a blackout period. Neuenkirch (2014) mentioned that there is evidence the media tries to sell news to the financial markets and the probability of newswire coverage becomes higher right before the weekend or the communication of the Federal Reserve is stale

Kahn (2007) listed the possible benefits of communicating the Central Bank's policy path. The announcement of a policy path can increase the accountability and transparency through providing the public with tools that let them decide whether the plans of the policy makers are consistent with their plans or not. The announcement of the policy path can anchor the long-run inflation expectations which results in a greater stability for the macro economy. The announcement of the policy path can assist the financial market participants' in pricing medium and long run financial assets more efficiently, which in turn reduces financial market volatility. Communicating a policy path may provide policymakers with greater leverage over medium – to long-run interest rates. Nonetheless, Kahn (2007) mentioned that there are shortcomings in communicating an explicit policy path. For instance, the public audience will consider a policy an unconditional commitment rather than a plan and the announcement of the policy path will make policymakers less likely to change policy if new information is available.

## **CHAPTER FOUR RESEARCH DESIGN**

### **4.1 Methodology**

This is a descriptive analytical research that aims to find out how the Central Bank (CBE) of Egypt communicated the devaluation of the Egyptian Pound through its press releases to the Egyptian news websites. The research uses description as a method to consolidate data that emerge during analysis. This consolidated data will assist in comprehending the qualitative research and its implications. The qualitative descriptive research is appropriate choice when straight descriptions of an event or an issue are desired. (Knupfer et al., 1996).The descriptive research here will contribute to the identification and definition of the frames of the devaluation of the Egyptian Pound in the press releases of the Central Bank (CBE) of Egypt (CBE) and three

Egyptian news websites. Therefore, the independent variable in this research will be the messages of the Central Bank (CBE) of Egypt mentioned in its press releases and the dependent variable is the media coverage of the devaluation in the news websites.

Descriptive research can be either qualitative or quantitative (Knupfer et al., 1996). The descriptive approach of this research was a collection of a quantitative and qualitative data. The quantitative data is represented in the content analysis of the news stories that covered the flotation of the Egyptian pound, a reflection of the intensity coverage of certain dimensions of the new monetary governmental decision and the frames used to deliver their messages. The qualitative data is represented in the narrative description of the news stories that covered flotation, the representation of the flotation and the tone of coverage of the flotation, the journalistic styles that were used to cover the devaluation and the sources being quoted or used.

#### **4.2 Operational Definitions**

As this study used a content analysis approach, a set of codes were derived to analyze the frames of the Central Bank (CBE) press releases and of the news stories in the websites. The operational definitions of the codes are as follows:

**Monetary policy:** The policy of a Central Bank (CBE) that determine the money supply in a country. The actions of the monetary policy include the interest rate's modification, the selling or the buying of government bonds, and changing the bank reserves.

**Flotation:** The price of the Egyptian pound is determined against a major foreign currency (the U.S.dollar) by the private market through supply and demand.

**News websites:** online versions of publications whether daily newspapers or magazines.

**Media Frames:** reflections of a specific issue in news websites.

**Positive coverage:** Floating the Egyptian Pound is a useful policy and it will have good impact on the Egyptian Economic.

**Negative coverage:** Floating the Egyptian Pound is not a useful policy and it will have negative consequences on the Egyptian Economic.

**Neutral coverage:** the consequences of the new monetary policy are not known and it is not described as an effective or ineffective policy.

**Optimistic:** Floating the Egyptian Pound will serve the economic reform

**Pessimistic:** Floating the Egyptian Pound will not serve the economic reform

**Feature:** Detailed information with multiple sources that covers the flotation

**News:** Short piece of information that covers a timely news about the flotation

**Column:** an article that describes a view of a certain writer

**Interview:** detailed views of a public figure or an expert in a certain field that answer questions of a news reporter.

**Official Source:** Government employee / semi government employee/ representative of an international body.

**International Source:** international research centers/ international newswires

**Press release:** a readymade piece of data disseminated by a government body or international organization.

**Unofficial Source:** Economic Expert – Academic Professor – Media Figure.

**Sector:** life aspect that has been greatly affected by flotation and has been covered by the media in terms of being affected by flotation

#### **4.3 Data Analysis**

In descriptive analytical studies, data collection is typically directed toward knowing the who, what, and where of incidents or issues, or their basic aspects and nature. Content analysis is the strategic analysis choice in descriptive studies (Sandelowski, 2000). Content analysis in this research serves as a technique that gathers and analyzes the content of news websites' articles

and press releases of the Central Bank (CBE) of Egypt (CBE). It enabled the researcher to produce a quantitative data or description of the symbolic content in the analyzed text and it helped in revealing the meanings, messages, symbols that are difficult to see in the press releases and the news articles. Through content analysis, texts have been compared across the press releases and the news websites and they have been analyzed with quantitative techniques such as tables and charts.

Content analysis quantifies the ideas in a text through both manifest coding and latent coding. Manifest coding has been applied through coding the visible content in a text (counting the number of times a word or phrase appeared in the text). Latent coding has been applied through investigating the implicit and underlying meaning in the content of a text in different contexts.

A primary set of frames for the free flotation of the Egyptian pound has been determined inductively to develop a coding scheme. Based on the suggestion of Gamson & Modigliani (1987), the researcher examined the frames that are mentioned in the editorial writings, the previous studies that tackled the devaluation of national currencies and the frames that are produced by various experts and officials in TV Talk shows covered by news websites.

Taking these steps in my consideration during the analysis of media coverage of the flotation of the Egyptian pound between 2016 and 2017, an initial set of 13 media frames have been identified: flotation is a must – flotation has fruitful results – flotation has negative side effects- participatory responsibility – pros & cons of flotation – bad government decision/policy- Flotation is the only solution – assuring health services for people – assuring economic stability for people – assuring social protection for needy people- side effects of flotation are controllable- call for clarifications - Call for preserving social protection programs.

After identifying the initial set of frames, the researcher analyzed news web portals of three Egyptian media outlets of different types, national, private and partisan.

#### **4.4 Data Gathering**

In order to provide non-biased answers to the questions in this research, it was very important to ensure that a variety of media coverage of the floating of the Egyptian Pound was represented in the selected sample. Therefore, one set of time is examined: from November 2016 to July 2017 and four main factors were taken into consideration when selecting the sample of news websites to be included in this study. First factor: country of origin: news websites that are Egyptian. Second factor: the type of newspapers: general daily news outlets. Third factor is that the language of the newspapers: Arabic. Fourth Factor: the type of ownership of news websites, national, private, partisan. The choice of these specific news web portals was done with the aim of capturing general trends in the coverage of free flotation of the Egyptian currency and to compare certain types of coverage across these different news web portals. The units of analysis in this research were the CBE press releases and the articles (news, feature, column, interview) that covered the devaluation in news websites.

#### **4.5 Sampling**

This research relies on purposive sampling; also called judgmental sampling. It is a nonrandom technique, typically applied in qualitative research to detect and select “information-rich cases for the most proper utilization of available resources” (Etikan et al., 2016). Through purposive sampling, the researcher determines what needs to be examined and sets out to find the documents that will provide the information.

There are various methods for the purposive sampling. One of these methods is applied here which is the Maximum Variation Sampling (MVS). Maximum variation sampling, also known as “Heterogeneous Sampling” is directed toward looking at all available angles of a certain subject, which in turn achieves a thorough understanding. For instance, in this research different types of articles of devaluation have been included (news, feature, column and interview) in different news websites (national, private, and partisan). This type of purposive sampling is beneficial when a random sample is not considered (Etikan et al., 2016).

The press releases of the Central Bank (CBE) that covered the flotation of the Egyptian pound since November 2016 till July 2017 along with the news stories that covered the “flotation of the

Egyptian Pound” have been examined in the three chosen news websites, to figure out how the new monetary policy has been portrayed and its role on profiling the Egyptian economy.

This research focused on news websites rather than print newspapers because of its instant media coverage, high interactivity, rich information and easy accessibility (Al-Sherif, 2013). Similarly, Nguyen (2010) mentioned that news websites provide more news choices, diversity of viewpoints and in-depth and background information.

The selected news websites are online versions of three daily newspapers, and they represent different journalism schools in Egypt (national, partisan and private). Al-Ahram is the most widely circulating and oldest national newspaper and its news website has got an advanced rank than other national news websites such as Gomhuria Online or Akhbarelyom according to Alexa a global pioneer platform for websites’ analytical insights. Al Wafd newspaper and news website are issued by the Al Wafd political party which in turn represent the nationalist liberal political party in Egypt. El Watan News is a private daily newspaper that is ranked the third after the Youm 7 and El Masry Alyoum according to Alexa a global pioneer platform for websites’ analytical insights, however according to an interview with Ehab Sallam, a media expert, Al Watan newspaper provides the most credible data and reliable media coverage. Also, El Watan news website has not been used as a sample in literature review that focus on economic news which encouraged the researcher to include in the examined news websites.

#### **4.6 Research Questions and Hypotheses:**

Based on the previous literature review, the determinants of the applied theoretical framework and the main research question “how the Central Bank (CBE) communicated the flotation of the Egyptian pound via its press releases and how was the online coverage of these messages”, a number of minor research questions and hypotheses were derived both in relation to the patterns of the electronic news coverage of the devaluation in different news website and the content of the press releases issued by the Central Bank (CBE) of Egypt.

**RQ1-** What is the tone of coverage of the online news websites of the Central Bank’s messages to the flotation of the Egyptian pound?

**Hypothesis 1: The national news website provided a more favorable coverage tone of the Central Bank (CBE)'s messages than other news websites**

**RQ2 -** What are the frames used in the press releases of the Central Bank (CBE) and the news websites?

**Hypothesis 2: The national news website focused on positive frames more than the private and partisan news websites.**

**RQ3 –** What is the coverage intensity in each news website?

**Hypothesis 3: The online coverage of the flotation was more intensive in the national news website than the private and partisan news websites.**

#### 4.7 Statistical Analysis

**The Chi-Square ( $\chi^2$ ) Test:**  $\chi^2$  is used to test the homogeneity of distribution of any two variables. We assume the null hypothesis that the 2 distributions are similar.  $\chi^2$  will measure if the null hypothesis is true or false.

$\chi^2$  is calculated as the summation of the squares of the differences between expected and observed values as a ratio of the expected value (Wimmer and Dominick (2003).

(Observed – expected)<sup>2</sup>

$\chi^2 = \Sigma \text{-----}$

The significance of the resulted value of  $\chi^2$  is measured by its probability parameter p at 0.05 or 0.01 levels of probability. If the p value is <0.05 or <0.01, the calculated value of  $\chi^2$  is



significant or highly significant and the distributions of A & B are different (not the same). If p is  $>0.05$ , the calculated value of  $\chi^2$  is not significant and the distributions of A & B are similar.

## **CHAPTER 5**

### **RESULTS**

The first set of questions is directed toward identifying the type of coverage of the online new websites of the Central Bank (CBE) messages, the future insights on the flotation across the examined news websites, and the sources that were used in covering the different aspect of the new monetary decision to devaluate the Egyptian pound against US dollars. The second set of questions is directed toward exploring the media frames of the news websites and the communication frames of the CBE press releases, besides detecting the coverage intensity of the devaluation. The third set of questions aims to determine the impact of the online coverage on the Central Bank (CBE) messages by examining the journalistic styles that were used to cover the devaluation, the tone of the CBE press releases and the CBE expectations toward the implementation of the flotation.

Based on the content analysis of 605 articles in the three news websites and the content analysis of six press releases issued by the Central Bank (CBE) of Egypt, five generic frames were identified including valence frames were (Positive/negative/Neutral) and risk/opportunity frames besides issue-specific frames that were related to the devaluation of the Egyptian pound. The sources, journalistic styles and the intensity of coverage were clarified.

### 1- Tone of Coverage of the Flotation in News Websites

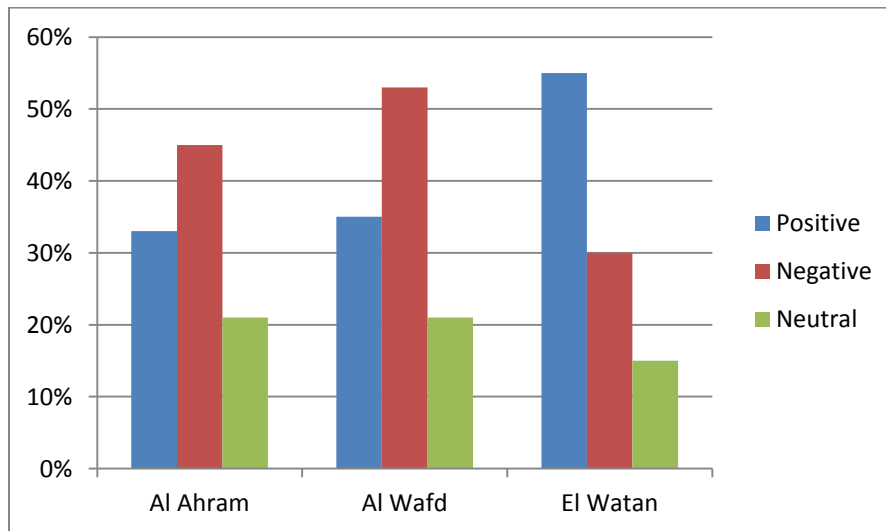


Figure 1 Tone of the Online Coverage of the flotation

Figure (1) shows that Al-Watan has the first rank in communicating positive insights about the devaluation of the Egyptian currency across the studied news web portals. It shows that about

55% of its media coverage was positive and 28% of its media coverage was negative. Al Ahram was in the second rank in communicating positive insights on the flotation (45%) in its media coverage than Al Wafd (33%). The positive tone of coverage signifies the instant positive outcomes of the flotation such as hitting the black market of US dollars and solving the US dollars shortage. The negative coverage presented the instant negative of the flotation such as the increase of prices of goods and commodities, in addition to the disappearance of some medical and food supplies because of the increase in the exchange rate. The neutral coverage did not present the disadvantages or the advantages of the flotation.

## 2-Future Insights on the Flotation in News Websites

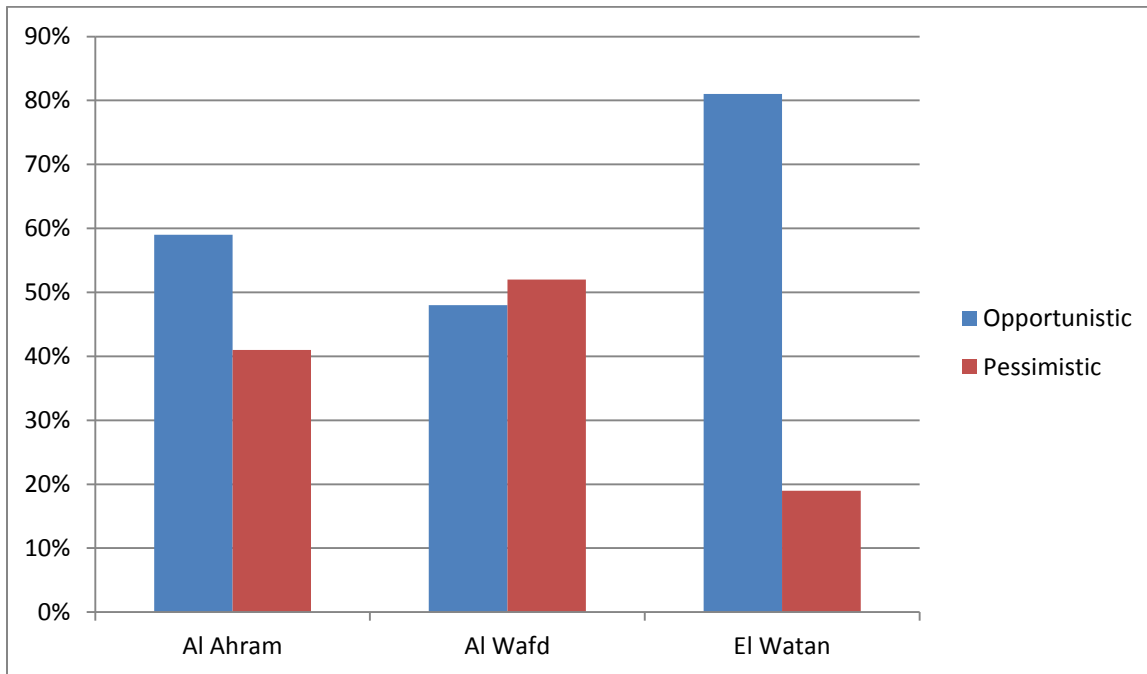


Figure 2 Future Insights on the flotation in News Websites

Figure (2) shows that both Al-Watan and Al-Ahram delivered optimistic and opportunistic views for the free flotation of the Egyptian pound, relatively 81% of Al-Watan media coverage

delivered an optimistic perspective on the devaluation and only 19% of Al-Watan media coverage delivered a pessimistic perspective on the devaluation. Whereas 59% of Al-Ahram media coverage delivered an optimistic perspective on the devaluation and 41 % of Al-Ahram media coverage delivered a pessimistic perspective on the devaluation. While Al-Wafd news website seemed to be more pessimistic than being optimistic in its media coverage, as 48% of Al-Wafd media coverage communicated optimistic expectations for the devaluation and 52% of Al-Wafd media coverage communicated pessimistic expectations for the devaluation. The optimistic coverage revealed that the flotation will increase the foreign reserves to the Central Bank (CBE), increase the possibility of getting the 12\$billion IMF loan, increase the Egyptian exports and draw more tourists to Egypt. The pessimistic coverage showed that flotation will lead to higher prices and won't eliminate the role of the black market and it will affect badly low income families and government employees.

### 3-Sources used in the online coverage of Devaluation in News Websites

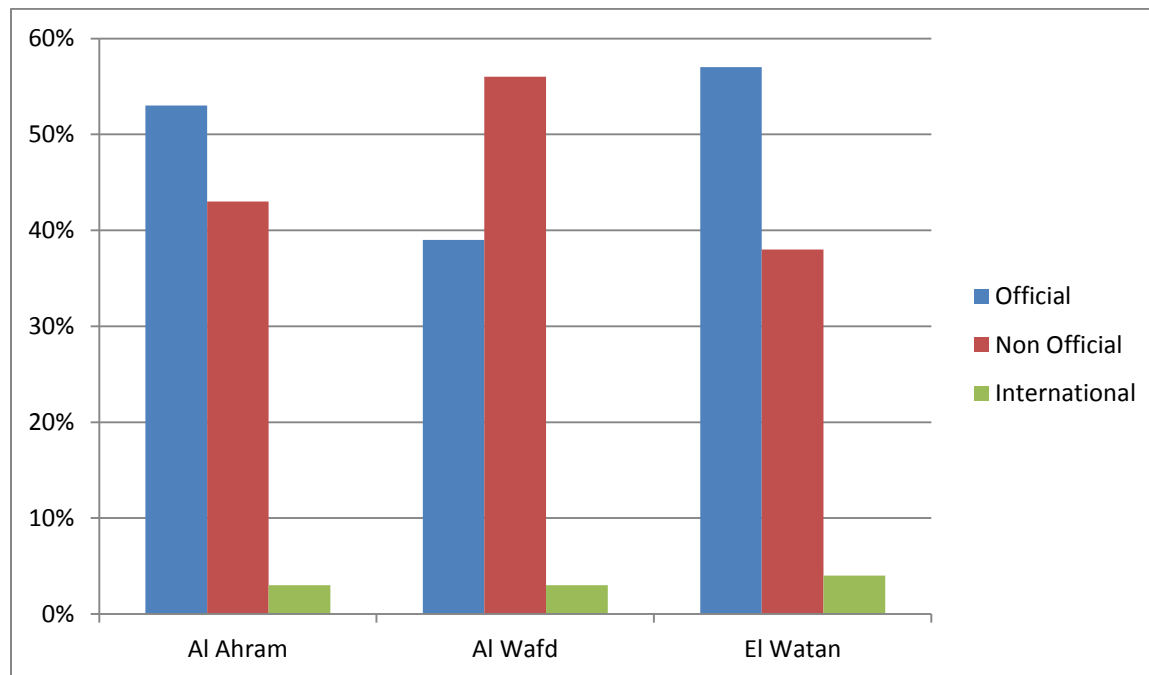


Figure 3 Sources of Online Coverage of Devaluation in News Websites

Figure (3) shows that (57%) of the sources that Al-Watan news website referred to were official sources: ministers, chairmen of government authorities, members of the parliament. (4%) of the sources were international sources from foreign newswires, foreign research centers or foreign

capital companies, (1%) of the sources were a press release, and 38% of the sources were non-officials represented in economic experts, academic professors, former ministers, media figures. (0.4%) of the articles in Al-Watan referred to both at the same time an official source and international source. However it is a private and independent news outlet, Al-Watan recorded the highest in sourcing officials in its media coverage among the studied sample.

The figure also shows that (53%) of the sources that Al-Ahram news website referred to were official sources: ministers, chairmen of government authorities, members of the parliament; and (3%) of the sources were international sources from foreign newswires, foreign research centers or foreign capital companies, (0.4%) of the sources were a press release, and (43%) of the sources were non-officials represented in economic experts, academic professors, former ministers, media figures. (0.4%) of the articles in Al-Ahram sourced both at the same time a public official and international source. (0.4%) of the articles in Al-Ahram sourced both a public official and non-officials. (1%) of the articles in Al-Ahram sourced a press release and non-official.

As for Al Wafd newspaper, (39%) of the sources that Al-Wafd news website referred to were official sources: ministers, chairmen of government authorities, members of the parliament. (3%) of the sources were international sources from foreign newswires, foreign research centers or foreign capital companies, (1%) of the sources were a press release, and (56%) of the sources were non-officials represented in economic experts, academic professors, former ministers, media figures.

#### 4- The Media Frames of the News Websites

There were main five media frames that sustained its presence in the online coverage of the flotation in the three news websites. These frames are,

**Flotation of the Egyptian pound is a must:** This frame depicts the flotation as a necessary or there is no any alternative tool for the flotation to stimulate the Egyptian economy, eliminate the roles of the black market, and solve the problem of the foreign currency shortage.

**Flotation has positive effects:** This frame highlights the positive outcomes of the flotation in increasing the foreign reserve at the Central Bank (CBE) and commercial banks, increasing

Egyptian exports and increasing the Egyptian stock market returns. In addition to the increasing foreign investments in Egypt.

**Reassurance:** This frame aims to reassure the segments that will be affected negatively by the flotation through announcing that the social aid programs will continue to serve low income people. Investors and companies' owners engaged in the import of goods and products will be able to deal with the previous deposit and withdrawal limits \$ 50,000 during the month for the deposit and \$ 30,000 per day for withdrawals.

**Weak government policy:** This frame promotes the controversial views on the flotation and its impact on the economy. The flotation is a sudden and surprising government decision that will not ban the unofficial trading market of foreign currencies and it will result in high prices.

**Side Effects of flotation:** This frame lists the side effects of the flotation, such as high prices of food supplies, increasing prices of imports whether food supplies or manufacturing components and increasing prices of healthcare supplies. Losses for companies whether private or public who used to conduct contracts at different prices before the flotation.

Other media frames that appeared in the news websites were the “pros & cons” that appeared in Al Wafd and El Watan. This frame tried to compile both the positive outcomes and the side effects of the flotation altogether. There are two other frames that appeared in both Al Ahram and El-Watan, the first frame was “Participatory responsibility” frame that demonstrates the call of the government and some expert for a unified respond from the public audience and for their acceptance of the flotation in order to stimulate the Egyptian economy. The second frame was “Call for clarifications or strict management”, this frame documents the demands of different experts, public figures and public audience to clarify the consequences of the flotation and a call for managing the new monetary decision effectively to avoid any kind of losses. Another frame that appeared only in El Watan News website was “Evaluation of the flotation”, this frame aimed at explaining the milestones and the drawbacks of the flotation of the Egyptian pound.

### **Al Ahram Media Frames**

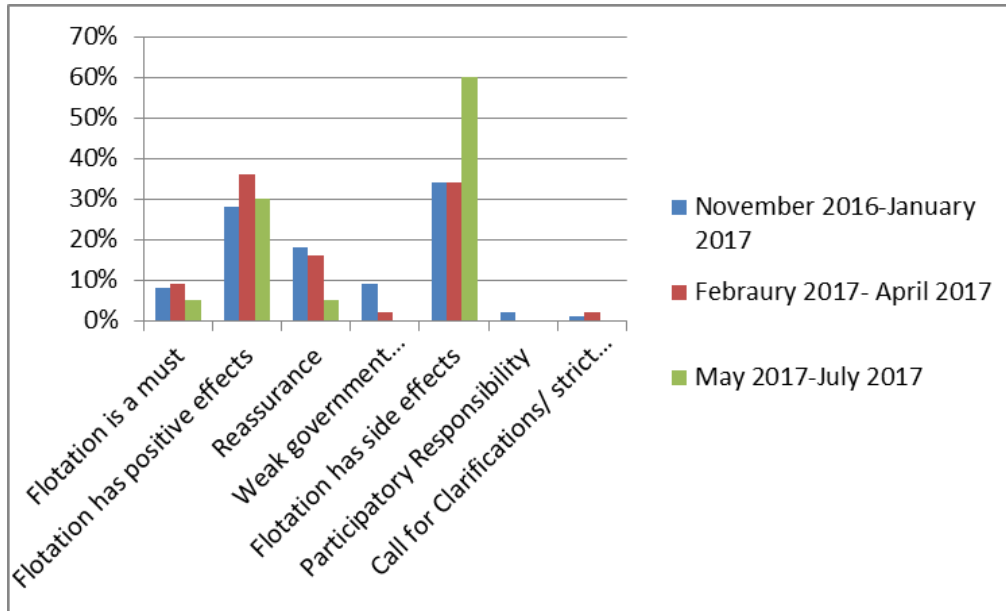


Figure 4 Media Frames of Al Ahram News Website

Figure (4) shows that 8% of the media coverage of Al Ahram news website presented the “flotation of the Egyptian pound is a must” frame. It also shows that 30% of the coverage presented the “flotation has positive consequences” frame, and 16% of the coverage focused on the reassurance frame that reassure people of different social levels and professions that everything will be okay and under control. The figure also explains that 7% of the coverage came under the “weak government policy” frame, and 1% of the coverage portrayed the participatory development frame which meant that economic reform is reliant on the government and the citizens as well. The coverage delivered the “flotation has side effects” frame counts for 36% yet the coverage illustrated the “call for clarification on the flotation and strict procedures to support its success” frame is 1%.

### Al Wafd Media Frames



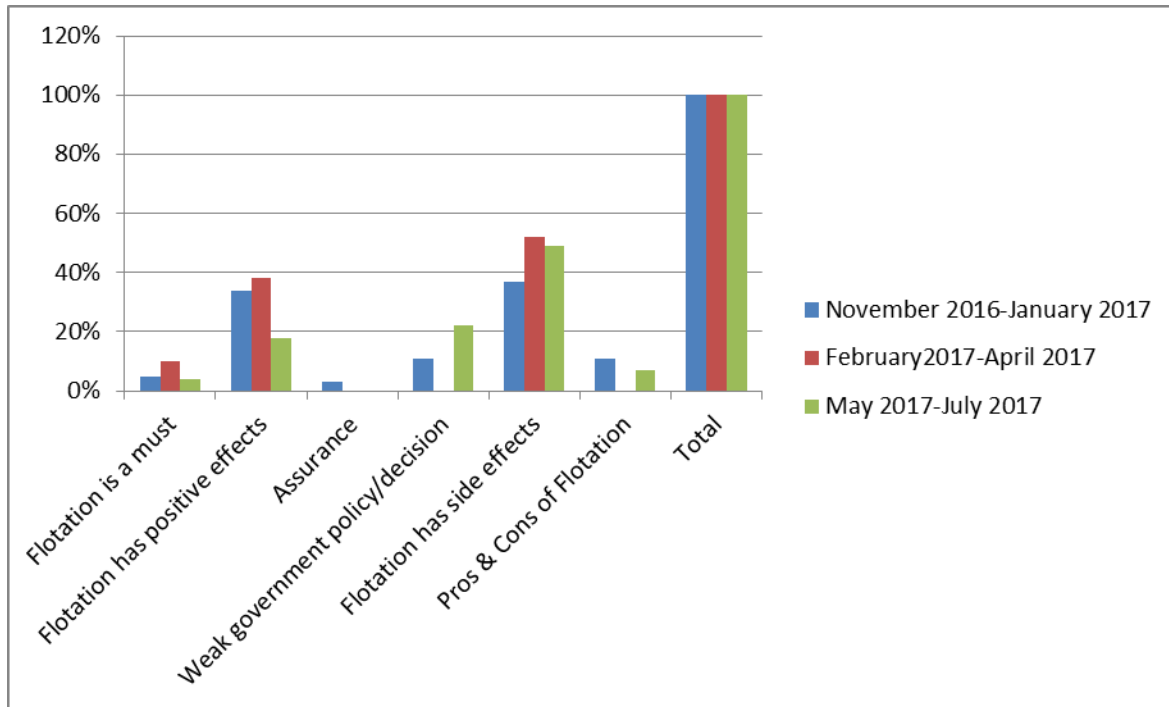


Figure 5 Media Frames of Al Wafd News Website

Figure (5) shows that 6% of the media coverage of Al Wafd news website presented the “flotation of the Egyptian pound is a must” frame, and 29% of the coverage presented the “flotation has positive consequences” frame. The figure also shows the coverage focused on the reassurance frame that reassure people of different social levels and professions that everything will be manageable and under control is only 1%. The “weak government policy” frame counts for 13%, and the “flotation has side effects” frame counted for 46%. Only 6% of the coverage demonstrated the “pros and cons of flotation” frame.

### El Watan Media Frames

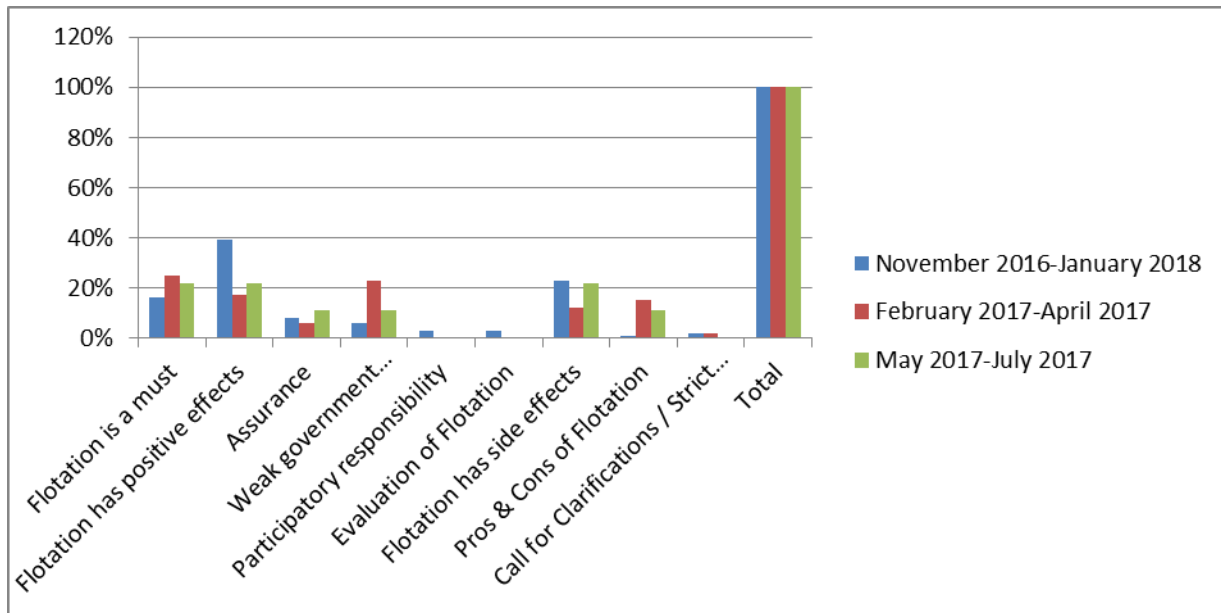


Figure 6 Media Frames of El Watan News Website

Figure (6) shows that 16% of the media coverage of Al Watan news website presented the “flotation of the Egyptian pound is a must” frame. the coverage of the “flotation has positive consequences” frame counts for 33%, and the coverage on the reassurance frame that reassure people of different social levels and professions that everything will be okay and under control was only 7%. The figure also shows that 11% of the coverage came under the “weak government policy” frame, and only 2% of the coverage portrayed the participatory development frame which meant that economic reform is reliant on the government and the citizens as well. About 2.3% of the coverage reflected the evaluation of the flotation frame, and 20% of the coverage delivered the “flotation has side effects” frame. the coverage of the “pros and cons of flotation” frame counted for 4 %, and the coverage of the “call for clarification on the flotation and strict procedures to support its success” frame was only 2%.

## 5- The Communication Frames of the CBE Press Releases

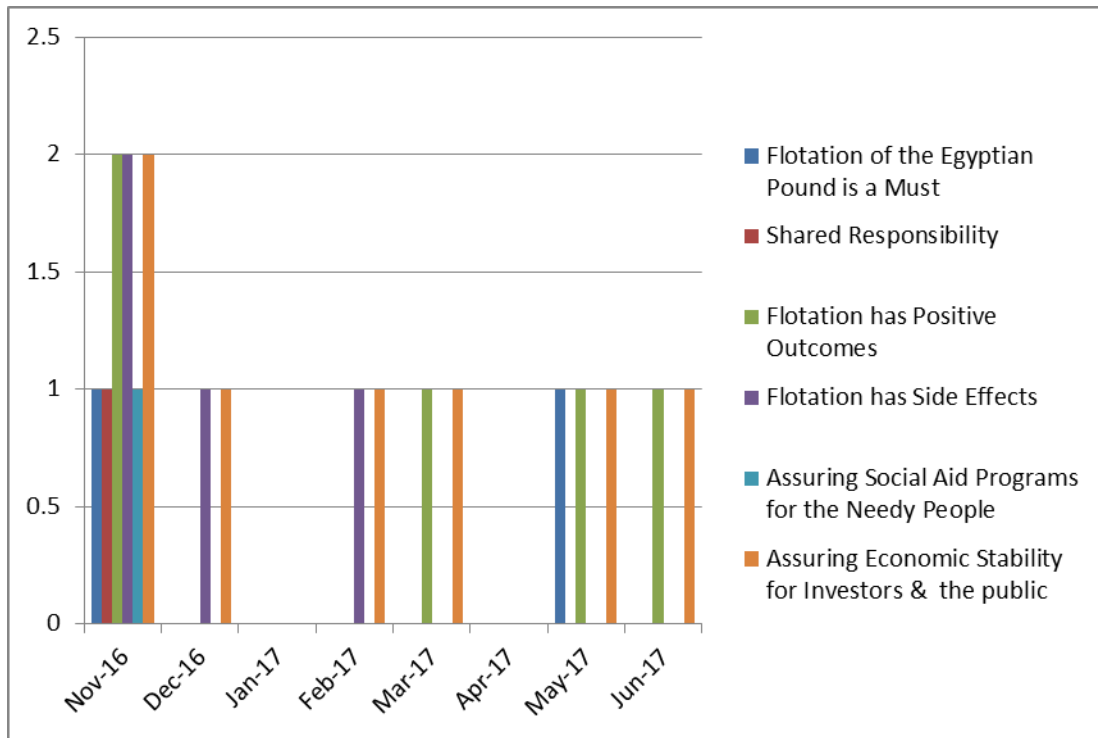


Figure 7 Communication Frames of CBE Press Releases

Figure (7) shows that the frames applied in the press releases of the Central Bank (CBE) of Egypt were found to be six frames, they are “The free flotation of the Egyptian pound is a must”, “The free flotation of the Egyptian pound has positive outcomes”, “and “There are side effects for the free flotation of the Egyptian pound”, “Assuring the sustainability of the social aid programs for the needy people” and the frame that lasts through all press releases was “Assuring economic stability for investors and people”, “Stimulating the Egyptian Economy is a shared responsibility”.

The frame that portrayed the necessity of the free flotation of the Egyptian pound (flotation is a must) was prominent in the first press release that announced the flotation of the Egyptian pound, and explains that the Central Bank (CBE) of Egypt took this decision to bring about monetary stability, reduce inflation rate. The Central Bank (CBE) of Egypt aims to reform the policy of foreign currency exchange through enabling different banks in Egypt to set different prices of selling and buying foreign currencies based on the Interbank mechanism in a way to reduce the public debt, budget deficit and to eliminate the role of the black market in foreign currency

exchange. There was always a citation that devaluation of the Egyptian currency is a measure of the economic reforms measures.

The positive outcomes of the free flotation frame is quite apparent in the last press releases that carried an optimistic anticipation for the economic situation of Egypt by mentioning and tracing the decline in the annual inflation rates across the last quarter of the year 2016 and the first three quarters of the year 2017. Furthermore, these press releases indicated the growth of the broad money reserves as a result of the recovery of net foreign assets and this is based on the accumulated international reserve and the higher loans afforded to the private sector in domestic currency.

The frame that assures economic stability for investors and people was quite prominent in the most repeated paragraph in all press releases that say the monetary policy committee at the Central Bank (CBE) of Egypt will continue to monitor all monetary and economic developments in addition to monitoring the balance of risks, and the committee will exert all possible efforts to adjust the stance of the balance of risks to balance foreseen upside or downside deviations from the inflation target and to ensure price stability. In some press releases the Central Bank (CBE) of Egypt assured citizens and companies about their operations with banks and their rights to sell or purchase foreign currency especially those who export or import, citing that there will be no restrictions on cash deposit or withdrawal of foreign currency.

The frame that assures the affordability of social aid programs and the availability of basic commodities showed up in the first press release that announced the implementation of the devaluation while mentioning that the side effects of the flotation on the low-income people will be controlled and the Central Bank (CBE) of Egypt will afford the foreign reserve needed to sustain the food supplies imports.

The frame that highlights that stimulating the Egyptian economy is a shared responsibility was crystal clear in the first press release that addresses people to stop dealing with the black market or the unofficial foreign currency exchange market and resort back to the official channels and banks.

The frame that tackled the side effects of the devaluation of the Egyptian pound was clear in the CBE illustrations of the increased inflation rates and the increased consumer prices. These

illustrations have been mentioned in the press releases issued in November 2016, December 2016 and February 2017.

## 6- The Coverage Intensity of the Flotation in News Websites

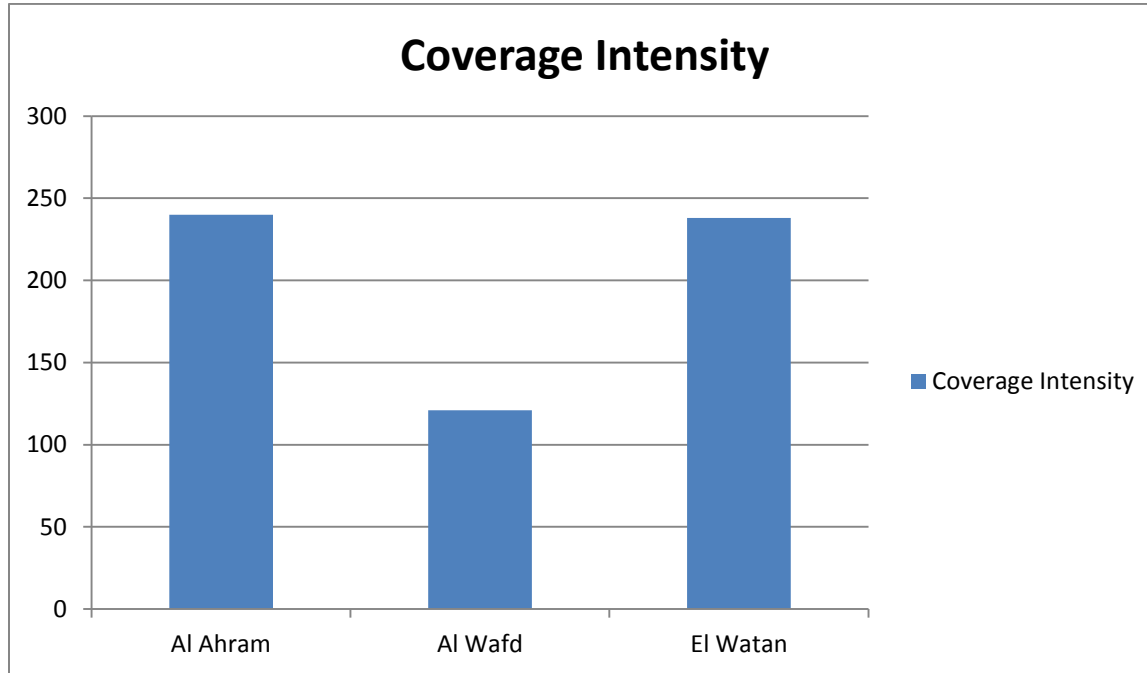


Figure 8 Coverage Intensity of the Flotation in News Websites

Figure (8) show that the coverage intensity was at its peak in November 2016 when the Central Bank (CBE) of Egypt introduced the devaluation of the Egyptian currency as part of the economic reform measures in all news websites under study. January and February 2017 were at the second place in terms of coverage intensity and then December that came in the third place, followed by March, then June, April and July were at the same level and May.

Al-Watan was the highest news website in terms of the coverage intensity in the first month of floatation, in November, it provided (130) articles that covered the topic of devaluation from different angles, then this number declined in December to be (19) articles, it rose again in January to be (22) articles, (38) articles in February, declined again to be (10) in March and April, (4) in May, (5) in June. Al-Ahram came in the second rank in terms of coverage intensity in November, it provided (112) articles that covered the topic of devaluation from different angles, then this number declined in December to be (32) articles, it continued to decline in

January to be (27) articles, (17) articles in February, declined again to be (15) in March and (17) April, (11) in May, (5) in June and (5) in July. Al-Wafd was the third news website the intensified its coverage in November, it provided (23) articles, then this number declined in December to be (5) articles, it rose again in January to be (13) articles, (12) articles in February, (14) in March and (5) April, (7) in May, (19) in June and (23) in July.

### 7- The Journalistic Styles adopted by the News Websites in Covering the Flotation

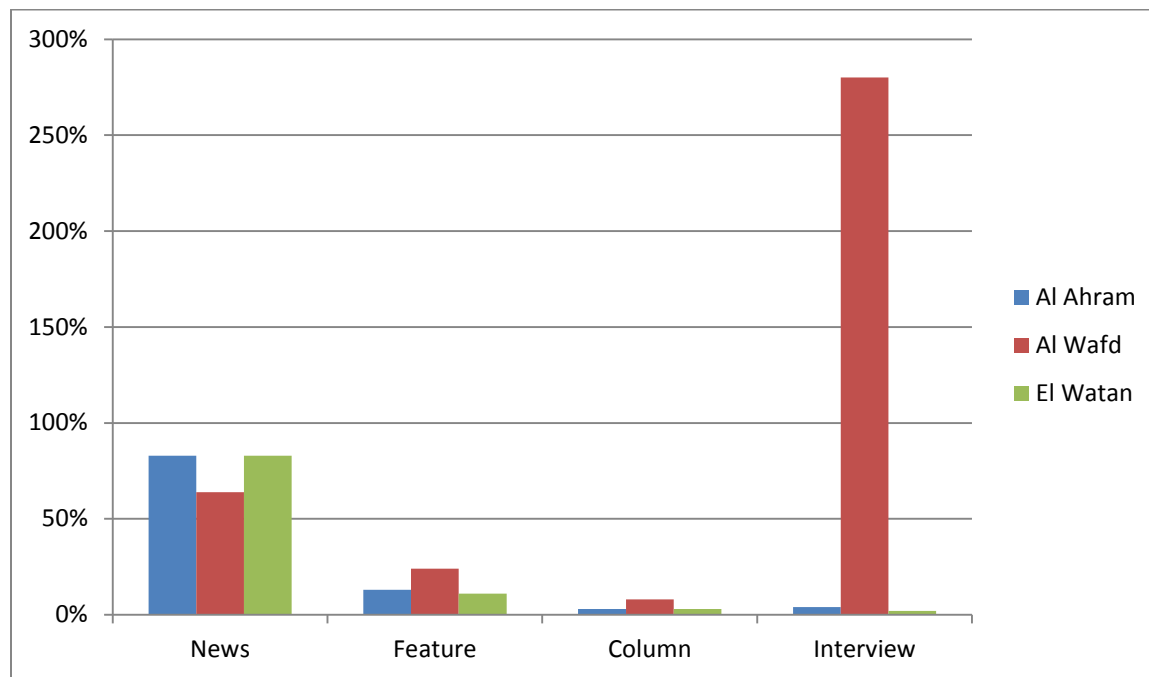


Figure 9 Journalistic Genres that are used to cover the Flotation in News Websites

Although all the samples are electronic news websites that provide an instant media coverage of any event or update related to the devaluation of the Egyptian pound should be available in the format of news stories, there were variations in the percentage of the news stories among all studied electronic news websites. The news stories were on the top of the journalistic articles that covered the devaluation of the Egyptian pound. Al Watan news website & Al-Ahram news website communicated their information via news stories by 83%, a percentage that is higher than Al-Wafd news portal that communicated its information through news stories by 63%, yet it was the richest news portal of columns that transmitted a little positive views about the flotation

and more controversial views about the free flotation of the Egyptian pound. In Al Wafd, columns criticized the monetary decision of flotation and highly attacked the government for implementing this decision without any consideration to its harmful effects on the Egyptians. 8% of the publishing content of Al-Wafd was columns while Al-Ahram and Al-Watan were equal to each other in the percentage of columns 3%. The features came in the second rank of the journalistic styles after the news stories in the Egyptian news websites, Al-Wafd (24%), Al-Ahram (13%), and Al-Watan (12%). Interviews were the least journalistic style applied in the Egyptian news websites despite its worthiness and importance, Al-Wafd (4%), Al-Ahram (1%), Al-Watan (2%).

#### 8- Tone of the press releases issued by the Central Bank (CBE) of Egypt

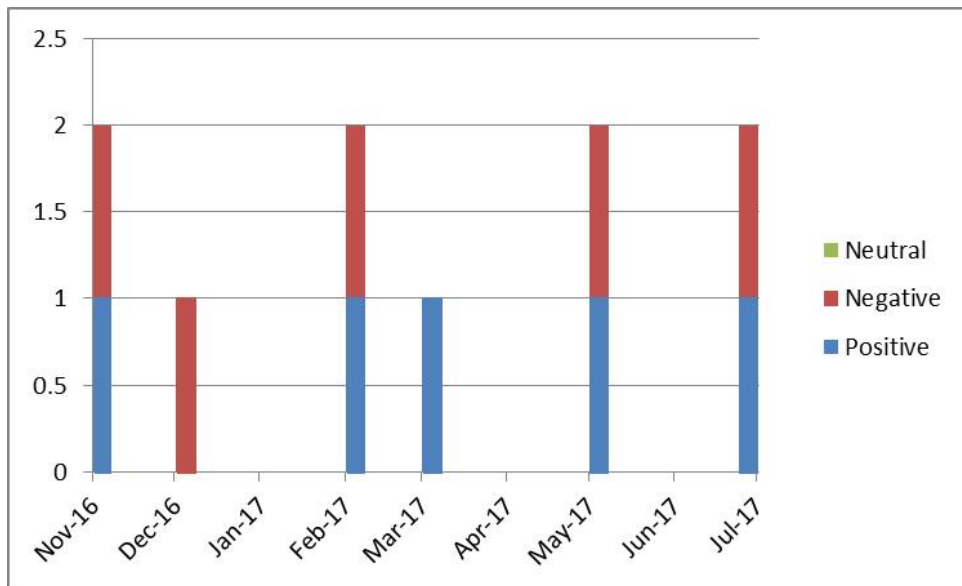


Figure 10 Tone of the press releases issued by the Central Bank (CBE) of Egypt

Figure (10) shows that the communication frames that were applied in the press releases of the Central Bank (CBE) of Egypt differed from one press release to another and in some press releases there were multiple media frames. The majority of the press releases that included specific mentions of the positive effects of the devaluation of the Egyptian pound and the negative effects of external factors or accumulated bad economic conditions, four press releases out of six press releases were mentioning the positive and negative aspects or the side effects of the economic reform measures. While two press releases were extremely positive and reflecting

the positive outcomes of flotation and just only one press release that was issued in December and followed immediately the resolution of the devaluation of the Egyptian pound that highlighted the negative features of the Egyptian economy in terms of increased rates of inflation . Although there were mentions for the increasing rates of inflation with all its types' monthly rate, annual rate inflation rate and core inflation rate from November 2016 till March 2017, there were always a stress that there positive outcomes for the free flotation of the Egyptian pound and there will be in the future fruitful results for it. Among the negative outcomes that the bank has declared is that there was a strong impact for the economic reform measures represented by the foreign exchange rate market liberalization on the consumer prices during November and the monthly increase in prices took place in core items, especially retail and food. The positive outcomes of flotation were seen in the decline in both the consumption and the unemployment rate besides a continued improvement in the economic activity, and an increasing contribution of net exports. The main sectors that boosted the economic growth were tourism, natural gas, construction, trade and non-petroleum manufacturing.

#### 9- CBE expectations of the Flotation as reflected in the press releases

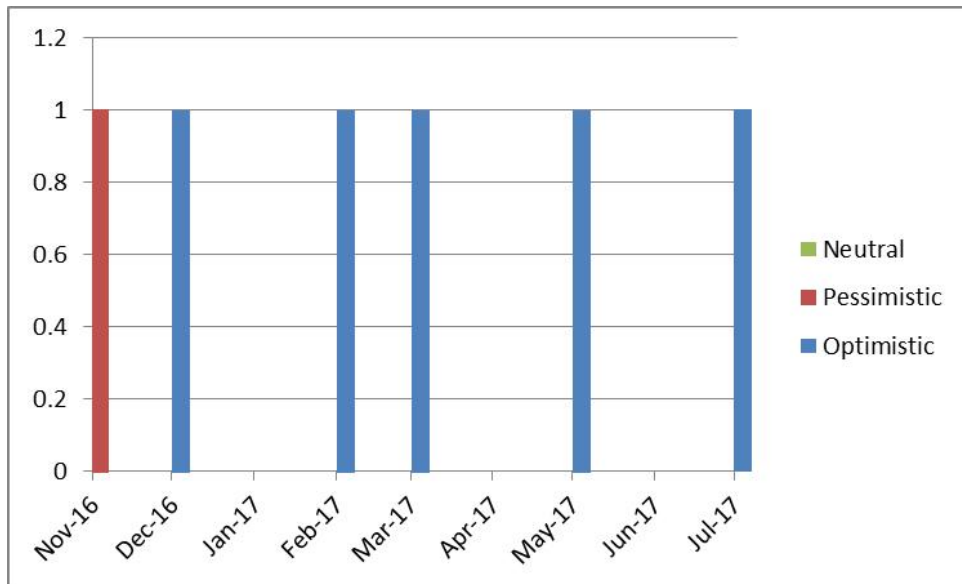


Figure 11 CBE Expectations of the Flotation as reflected in the press releases

The Central Bank (CBE) of Egypt in its press releases maintained the existence of optimistic and opportunistic approach in the majority of the press releases. One press release that cited the CBE



expectation of having a critical impact for economic reform measures on the annual inflation rate and then it will begin to narrow. Yet, the Central Bank (CBE) of Egypt expected in the same press release that the liberalization of the foreign exchange market in parallel with fiscal and structural reform measures will increase the potential output growth. In addition, the reserve and broad money growth will witness a positive impact especially during the phasing out of the monetary financing of fiscal deficit and the accumulation of higher foreign reserves.

### **5.1 Hypotheses Testing:**

In this research, the issue specific frames and the generic frames of the flotation of the Egyptian in news websites pound have been investigated along with the analysis of the messages of the Central Bank (CBE) that were delivered through its press releases. These analyses have been done with the aim of identifying the frames used by the Central Bank (CBE) to advocate for the flotation and the reflections of these frames on the online coverage of the new websites, so that policymakers will get clues on how their messages are delivered.

**Hypothesis 1: The national news website provided a more favorable coverage of the Central Bank (CBE)'s messages than other news websites.**

The first research hypothesis was rejected. Results show that the private news website El-Watan provided a favorable coverage for the flotation of the Egyptian pound, its positive coverage on the new monetary decision (55%) exceeded the positive coverage of the national news website Al Ahram (33%). Also, El-Watan provided more opportunistic views on the flotation (81%) than Al Ahram news website (59%).

**Hypothesis 2: The national news website focused on positive frames more than the private and partisan news websites.**

The second research hypothesis was rejected. Results show that the six frames of CBE did appear in the online coverage, but with a variance in prominence among news websites and with a degree of appearance that is different from that of the CBE press releases. These frames are as follows, “The free flotation of the Egyptian pound is a must”, “The free flotation of the Egyptian pound has positive outcomes”, “and “There are side effects for the free flotation of the Egyptian

pound”, “Assuring the sustainability of the social aid programs for the needy people” and the frame that lasts through all press releases was “Assuring economic stability for investors and people”. Also, media frames of the news websites included other frames that are different from the frames communicated by the Central Bank (CBE) via its press releases such as “Flotation is a weak government policy”, “Call for Clarifications on Flotation/ Call for strict Management on Flotation”, “Pros and Cons of Flotation”, “Evaluation of Flotation”. These media frames have emerged from different, non-official or international sources and from the sources that have been quoted in regards to different sectors that have been affected by the flotation.

**Hypothesis 3: The online coverage of the flotation was more intensive in the national news website than the private and partisan news websites.**

The fourth hypothesis was rejected. There were no any media frames that have been included in the press releases of the Central Bank (CBE). Besides, not all sectors that were covered by the news websites were tackled also by the CBE press releases. The six frames of CBE did not appear all together in the same press releases except only once in the press release that announced the flotation of the Egyptian pound. Two of these frames appeared only once such as “Assuring the sustainability of the social aid programs for the needy people” and “Stimulating the Egyptian economy is a shared responsibility”. “The free flotation of the Egyptian pound is a must” frame appeared twice, “The free flotation of the Egyptian pound has positive outcomes” frame appeared five times, “Side effects of the free flotation of the Egyptian pound” appeared four times, “Assuring economic stability for investors and people” appeared in all analyzed press releases.

## Chapter 6

### 6.1 Discussion

In attempt to know how the Central Bank (CBE) of Egypt is being able to send out its messages through news websites, an analysis has been undertaken for both the press releases issued by the bank and the online coverage of the new monetary decision to devalue the Egyptian pound against the US dollars. Since November 2016, the Central Bank (CBE) of Egypt has set the agenda of media outlets by the press release that announced the free flotation of the Egyptian pound. The attention of the media has been directed toward the flotation of the Egyptian pound, to the extent that each news website has published several news stories about the flotation of the Egyptian pound within the same day. The results of the research did prove the influence of the policy agenda on the media agenda of the news websites in terms of the space allocated for the discussions and the news of the new monetary decision and the intensity of the coverage that was

at its peak during the first months of the implementation of the devaluation and continued to document the outcomes and the impact of the flotation on all aspects of life in Egypt. Regardless of the different numbers of articles that covered the devaluation in each news website, the Central Bank (CBE) did set the first level agenda of the news websites by increasing the online coverage of the devaluation.

Through its press releases, the Central Bank (CBE) communicated the flotation of the Egyptian pound, numeric data of inflation, interest rates, and outcomes of the new economic reform measures along with some frames, most of them had a positive and optimistic tone. These frames or attributes have been transferred to the online coverage of the flotation in news websites through publishing the official press releases, quoting public officials, interviewing the governor of the Central Bank (CBE) and sourcing experts who are believe that flotation is a favorable government decision. Nonetheless, the news websites developed other frames that emerged from non-official sources that questioned the sudden monetary decision or criticized its side effects that represent a burden on different sectors, such as high prices. Therefore, the Central Bank (CBE) as a public policy institution did not have a full control on the media frames or did not entirely shape the second level agenda of the flotation in the news websites.

With reference to the frame building process, the of framing the flotation of the Egyptian pound in the news websites has been influenced by the ideology of the news organization, frame sponsors, in the case of Al Wafd news website, the partisan website that does not agree with public policy's directions. Al Wafd framed the flotation in a negative and pessimistic way. El Watan and Al Ahram framed the flotation in a positive and optimistic way.

In the case of the flotation of the Egyptian pound, the generic frames (positive, negative, neutral) of media coverage could be easily replicated in another context. Equally, the issue specific frames that De Vreese (2005) claimed that they are only limited to the issue under study, they could be replicated as well. For instance, the (non) urgency of the implementation of flotation, the pros and cons of flotation, the side effects of the flotation, the call for more elaborations or clarifications on the devaluation of currency, the call for strict management of the flotation, the dependency of economic reform on the flotation, are all issue specific frames that could be employed to another contexts.

Chong & Druckman (2007) were right when they clarified that communication frames that are consistent with a specific value do not work on every situation or topic. Some frames that were used in the literature review did appear in both the frames of the Central Bank (CBE) and the frames of the news websites such as the opportunity frame that promotes for the pleasant future consequences of the flotation such as increasing the foreign reserve and eliminating the role of the black market, the risk frame that promotes for the unpleasant future consequences appeared only in the online coverage when it mentioned that the flotation will result in high prices. The morality frame that puts the issue in an ethical evaluation context disappeared from the online coverage, yet the conflict frame appears in the negative reporting of the devaluation especially when investors, manufacturers, and traders complained about the side effects of the flotation that led to the high prices of raw materials and food or healthcare supplies.

Since the policy that has been communicated by a government institution is a monetary policy, therefore the economic consequences frame was apparent in all media frames. The economic results of the flotation on the community and the individual have been discussed. The human interest frame appeared in the features that included emotional angles describing how households react to the decision of the flotation and in the news that highlights the government initiatives to mitigate the side effects of the flotation on the low income families.

Chong & Druckman (2007) mentioned that some frames do not necessarily have the same connotation across different contexts and issues. The attribution of responsibility frame that emphasizes the responsibility of certain actors and throwing blame on them instead of holding the government the responsibility did not appear in the online coverage yet the government has been attacked and criticized for its sudden monetary decision. Another form for the responsibility frame appeared in both the press releases of the Central Bank (CBE) and the online coverage of news websites, which is the participatory or shared responsibility, which calls for the acceptance of the new economic reform measure and addressing all Egyptians to stimulate their economy.

Politicians or policy makers can use the same communication frames adopted by other public figures, citizens or the media channels (Edwards & Wood, 1999). Ministers in Egypt and public officials have used the same frames when they have been quoted in news articles in the studied news websites. These frames portrayed both the opportunistic and positive aspects of the flotation. Meanwhile, when there was a mention of the negative consequences, public officials

used the same frame of “side effects of flotation” and they stressed on the reassurance frame by mentioning that the side effects of the flotation is controlled.

The online coverage of the flotation of the Egyptian pound tends to be positive in El Watan news website, less negative in Al Ahram news website and more negative in Al Wafd news website. Thus, the negative tone did exist in covering the flotation, in citing the controversial views on its instant effects and its future insights. This result conforms to the result of Hester & Gibson (2003) that says reporters prefer to include negative angles or consequences for the readers (Hester & Gibson, 2003). Nevertheless, the negative angles in the news articles of the flotation emerged from real facts and observations of high prices of commodities and goods in different sector; they were not neither opinions nor speculations.

Usually the high news coverage of the economic events takes place during and after recessions and economic slowdowns (Su, 2008). The coverage intensity of the flotation was at its peak in November 2016, the month when the Central Bank (CBE) of Egypt introduced the devaluation of the Egyptian currency as part of the economic reform measures in all news websites under study. January and February 2017 were at the second place in terms of coverage intensity and December that came in the third place. Then the coverage intensity started to fall down by March till July the end of the time frame of the research.

The media agenda may be influenced by the audience agenda (Su, 2008). This was quite apparent in the diversified online coverage of the impact of flotation on different aspects of life in Egypt. The concerns of different audiences have been published on the news websites such as the increasing prices of food supplies, medical supplies, pharmaceuticals, ready-made garments along with the increase in the tuition fees. Furthermore, the unique media frames that appeared in the online coverage of the news websites emerged from the different quoted sources, the different sectors tackled and the specific events that took place following the flotation of the Egyptian pound. In some cases media outlets affect each other in terms of reporting the same content (Su, 2008). Prominent evidence on that will be the five frames that maintained its presence across the three news websites, Flotation of the Egyptian pound is a must; Flotation has positive effects, Reassurance, Weak government policy, Side Effects of flotation.

The frames determined by Geib, Weber & Quiring (2016) in the coverage of the economic news appeared but in a different form related to the flotation. For instance, “Boost the economy” frame did appear in the positive effects frame of flotation. “Tame the Economy” frame did appear in the necessity frame of flotation. “Let the Government Fix It” did appear in the reassurance frame that guarantees the government’s interventions to control the side effects of the flotation.

Entman (2004) explained that frames that are developed by the administration create the other frames that are adopted by elites including members of the congress, media channels, and the public sphere. Nonetheless, this was not the same case in Egypt. Some of the news articles documented the rejection of the flotation among parliament members, former ministers and some economic experts. The other articles reflected the acceptance of the CBE’s decision of flotation.

There was an existence of competing frames rather than a dominating single frame (Gamson, 2005). Regardless of the negativity or positivity of the frame itself, there were several frames for the same idea. For instance, the urgency of the flotation was delivered in several frames such as “flotation is a must”, “flotation is the only solution to solve the scarcity of foreign currency”. Similarly, the rejection of the flotation was delivered in different frames such as “flotation is a weak government policy”, “flotation will not boost the economic reform”.

The competition between frames in the media coverage allowed the representation of alternative considerations whether it lasted for a short-term or a long-term, it is beneficial to educate readers and even public officials about different angles of the issue that is on the spot.

Some of the unique frames that were applied earlier in previous studies did exist in the media coverage of the flotation but in different forms. For instance the dependency frame of Doudaki, Boubouka, Spyridou, & Tzalavras (2016) did appear in these frames “flotation is a must” and “flotation has positive consequences”. These frames translated the dependency of the Egyptian economy’s recovery and the increase of the foreign reserves on the devaluation of its currency. Another frame was the ambiguity frame of Svensson, Albæk, van Dalen, & de Vreese (2017) appeared in this frame “pros and cons of devaluation” that explained the positive and negative features of the flotation and this frame mainly resulted from quoting sources that include elites and non-elites, who have different views and speculations about the flotation.

Tromble, R., & Meffert, M. (2016) suggested that the duration of frame is much related to the frame competition as the frames that win are the frames that sustain its presence in mass media messages, while the frames that lose are the frames that vanish at a very early point than their competing frames. This suggestion was relevant to the results of the research for example there were frames that appeared in the first three months following the implementation of the flotation and then disappeared or its frequency of appearance was decreased across the time frame of the study in each news website. Nevertheless, there were some frames that had their intensity of coverage changed across the news websites, they disappear from one website and appear in another which means that the strength or the weakness of the frames in lasting for a long duration are not dependent on the frames, but on the external events and trends.

With reference to the literature review of framing that indicate that the attraction of more audiences continues to control the news selection and the profit aspect dominates the news practices, leading the dramatic or negative angles to be repeated over and over or be selected constantly by journalists. The positivity of the media coverage in most studied news websites exceeded the negativity.

Zaki (2012) reported that national and private publications tend to use the same frames with a slight difference, and concluded that private publications are not independent but on the contrary they are following the same direction of the national newspapers and that is because of the control of businessmen of political and economic life, especially those who are close to power. The partisan publications represented in Al-Wafd and Al-Ahali heavily criticized the government policies and the economic reform program and they called for the implementation of an economic liberal policy that boosts production, investment, trade, free completion, prevention of monopoly, equity in income distribution, fair taxing system, ease the burden of living for low income families, provision of basic services. The results of Zaki (2012) reoccurred in this research, the private news website El Watan and the national news website used the same media frames with a slight difference and El Watan advanced Al Ahram news website in providing a positive and optimistic views on the flotation, which indicates that flotation of the Egyptian pound is a favorable policy. Al Wafd provided the most negative and pessimistic views on the flotation of the Egyptian pound through news stories or even columns that are written by



outsiders. It criticized the sudden government decision and its critical effects on the low income people.

The majority of the online coverage of the flotation in the studied news websites did not submit a thorough explanation of the flotation, its implantation and its consequences. This indicates that still economic news websites in specific and newspapers in general continues to not provide simplified economic coverage. Zaki (2012) criticized the absence of explanation, further analysis for sophisticated economic terminologies in the media coverage of all Egyptian newspapers and dealing with readers as if they already know and understand these complicated themes. Mahmoud (2016) There were no any illustrations or explanations provided by these websites when they covered specific topics such as economic reform program, Egyptian pound price, IMF loan, stock market news, Islamic banking instruments.

Berger et al. (2011) found out that the critical monitoring role of the media tends to be more negatively when inflation exceeds the inflation target, which underlines the serious monitoring role of the media, even when the communication of European Central Bank (CBE) is intense or the information content provided by ECB press conferences is thorough. Same scenario took place in the coverage of the flotation in news websites; it tends to be more negative, the percentage of the negative news articles increased in all news websites in the first few months followed the flotation when the inflation rates were high than the latest two months when the inflation rate witnessed a decline.

General daily newspapers which target general audience has a great tendency to get more audiences through personalizing their media coverage and let the readers be engaged with the personalized features of the events or by focusing more on the human interest frames of stories. This was noticed only in the coverage of Al- Watan news website that provided features that tackles their daily lives and tips for people on how to overcome the negative consequences of the flotation and the high prices on different levels.

Literature review of the media coverage of economic news assumed that specialized media outlet tend to use thematic frames in the coverage of different topics. The episodic frame was the dominant frame of the media coverage of all other websites. Furthermore, the coverage of the studied news websites was dominated by the frame of the economic consequences; and this goes

back mainly to the nature of the new policy or the government organization (Central Bank (CBE)) that issued the decision of the devaluation. In the general oriented news websites the economic consequences frame was mixed with other frames such as the human interest frame in various topics, especially those topics that covered healthcare, education and social aid issues, the morality frame in the topics that covered the conditions of the unofficial (black) market of trading US dollars and the conflict frame in the topics that covered concerns of investors, importers, traders and manufacturers on the devaluation.

Some of the studied news websites framed their media coverage negatively while including optimistic views for the devaluation. The negatively their media coverage focused specifically on the bad economic conditions of Egypt and on the side effects of the flotation that could happen. This was quite seen in the coverage of the domestic and regional websites.

The media coverage of the Egyptian or domestic news websites illustrates that the flotation of the Egyptian currency is the only solution proposed by the CBE not only to meet the requirement of the International Monetary Fund but also to stimulate the economic growth, eliminate the role of the black market of trading US dollars and increasing the foreign currency reserves. This was quite apparent on the big weight offered to the term “flotation” or “devaluation”, this weight was greater than the weight offered to the gradual reduction of subsidies which was another request from the IMF in order to provide Egypt with 12\$ billion.

The impact of the devaluation on different aspects of life has been reflected in the topics covered by the general domestic news websites, they reported different news and features on the basic needs of life such as food, health, housing, education and the business or investment sector as well.

The sources of the media coverage ranged between official and unofficial sources but with different degrees across the studied news websites. For instance, Al Wafd news website used more unofficial sources than the official ones.

## **6.2 Conclusions**

This research aimed to study how the Central Bank (CBE) of Egypt communicated its new monetary decision to the public and how the news websites of different types, national, partisan

and private covered these messages. A content analysis has been undertaken for both the six press releases of the Central Bank (CBE) of Egypt (CBE) and the 605 articles in three news websites (national, partisan, and private) for nine months from November 2016 to July 2017.

The new monetary decision to devalue the Egyptian pound against the US dollars did set the media agenda of the news websites for nine months. Each news website did publish a range from 2 to 5 news articles on each day; they even published quotes that have been aired on TV Channels, for public officials and experts who commented on the flotation. Thus, the policy agenda of the Central Bank (CBE) did influence the media agenda of the news websites by directing their attention towards one object the devaluation of the Egyptian pound; however there was another critical government announcement, the increase of the fuel prices that followed the announcement of the devaluation with only one day but it did not last for long as the flotation did. The intensive coverage of the devaluation in news websites can be explained in terms of its critical nature, it has positive effects collocated with negative effects. This monetary decision does not affect few segments, but on the contrary but it has a massive impact on households, companies, government organizations and the whole nation.

Although the Central Bank (CBE) did transfer the salience of the flotation to the media agenda of news websites, it did not fully control the attributes of the flotation on the media agenda as well. Through its press releases, the Central Bank (CBE) communicated two generic frames (positive and opportunistic frames of the flotation) and 6 issue specific frames to the media agenda, yet there were other competing media frames. These media frames have been developed to deliver the views of opponents or the criticism of experts who disagree with the government decision to devalue the Egyptian pound, and to highlight the struggle of Egyptians to cope with higher prices.

The media negative or risk frames that promoted the uncertainty, ambiguity and uselessness of the new monetary decision appeared in the online coverage as a result of the sudden timing of the implementation of the decision, some news stories criticized the surprising or sudden feature of the new government decision, it has not been communicated gradually to the public sphere. Also, relying on unofficial sources such as experts, households and businessmen in developing the news stories, supported the existence of these frames, especially that there were some calls for more elaborations and clarifications on how life would be after its implementation. The

language of the Central Bank (CBE) in its press releases and the real indicators that have been repeated in all the press releases could be the reasons that disabled news reporters from keeping on publishing the frames of the Central Bank (CBE) in their news coverage. Therefore, the Central Bank (CBE) was not the only frames sponsors in the online coverage of the flotation and there were some controversial views on the flotation.

The ownership of the news website does not guarantee a specific tone of the news coverage. For instance, private news websites may refer to certain whenever they start to build the frames of issues. So, a private news website will not certainly have an independent direction from other national news websites or counterviews for the government decisions.

El-Watan the private news website provided the highest positive and optimistic views on the flotation; it provided a news coverage that led the new monetary policy appear to be a favorable policy followed by Al Ahram the national news website and Al Wafd the partisan news websites. El Watan and Al Ahram relied on official sources in their news coverage more than the unofficial sources. On the contrary El Wafd relied on more unofficial sources than the official sources.

It was concluded that there are some factors that determine the frame building process such as the updates in the economic or monetary policy, sources of the news/ article, the target audience by this policy and the type of the media outlet.

In the case of the flotation of the Egyptian pound, the generic frames (positive, negative, neutral) of media coverage could be easily replicated in another context. Equally, the issue specific frames that De Vreese (2005) claimed that they are only limited to the issue under study, they could be replicated as well. For instance, the (non) urgency of the implementation of flotation, the pros and cons of flotation, the side effects of the flotation, the call for more elaborations or clarifications on the devaluation of currency, the call for strict management of the flotation, the dependency of economic reform on the flotation, are all issue specific frames that could be employed to another contexts.

The communication frames of the new monetary policy identified in this research could be replicated for a different public policy or a new government decision. These frames are the new public policy is a favorable policy, the new public policy has positive consequences, any change

will have side effects, the side effects of the policy can be controlled, call for the involvement of different stakeholders to reinforce the new policy.

### **6.3 RECOMMENDATIONS**

Based on the analysis and the results of this research, it is suggested for the Central Bank of Egypt (CBE) to adopt a gradual communication strategy when it intends to implement a new policy or a new monetary decision. As this will provide media outlets with enough time to communicate the new policy with all its dimensions cover its potential impact on all sectors, address its side effects and mobilize the community for policy change. Also, the gradual communication strategy will let households be more prepared for all the changes accompanying the policy change rather than being shocked by its outcomes and then become unsatisfied.

It is recommended for the Central Bank of Egypt to keep its communication materials updated and available on time through its various communication channels and provide the news reporters a constant access to them instantly.

It is preferable for the communication team at the Central Bank (CBE) to work in line with media outlets in introducing new policies or policy changes to the public sphere. This could be done through using a non-technical language in its press releases, or providing more clarifications or justifications through graphs and illustrations, organizing round table meetings or press conferences for the journalists to answer all the questions related to the new policies. Furthermore, it will be beneficial for the Central Bank of Egypt to be alert to what is communicated in media outlets and try to address it in its press releases.

### **6.4 RECOMMENDATIONS FOR FURTHER STUDIES**

Many aspects are still to be researched about the impact of the Egyptian monetary policy. Future research should examine how the press coverage of the devaluation of the Egyptian currency changed across different years and how the communication methods or the awareness campaigns of the public officials changes as well. This will help in identifying the changes that could occur in the framing process of public policies in the media channels. Moreover, it will be beneficial if the future research sets a comparison between the media coverage of two countries that went through the currency devaluation process within the same period of time. For instance, a

comparative study of the media coverage of the devaluation of currency in Egypt and Nigeria; this will typically enrich the literature of media coverage of monetary decisions.

Furthermore, future studies should focus on the impact of the free flotation of the Egyptian pound and how the flotation affected them in their daily life?

## Appendices

### Appendix 1

## بيان صحفي

### البنك المركزي يحرر سعر الصرف

### والتسعير وفقاً لآليات العرض والطلب

حرصاً من البنك المركزي على تأكيد الثقة في الاقتصاد المصري وتحقيق الاستقرار النقدي إستهدافاً لمستويات أدنى من التضخم، فقد قرر البنك المركزي إتخاذ عدة إجراءات لتصحيح سياسة تداول النقد الأجنبي من خلال تحرير أسعار الصرف لإعطاء مرونة للبنوك العاملة في مصر لتسعير شراء وبيع النقد الأجنبي بهدف إستعادة تداوله داخل القنوات الشرعية وإنهاء تماماً السوق الموازية للنقد الأجنبي، اتساقاً مع المنظومة الإصلاحية المتكاملة التي تتضمن برنامج الإصلاحات الهيكلية للمالية العامة للحكومة الذي يتم الآن تنفيذه بحسم. إن حزمة الإصلاحات النقدية والمالية المتكاملة تمكن الاقتصاد المصري من مواجهة التحديات القائمة وإطلاق قدراته وتحقيق معدلات النمو والتشغيل المنشودة بما يتناسب مع إمكانيات وموارد مصر البشرية والطبيعية والمادية.

وفي هذا الصدد فقد قام البنك المركزي المصري بإتخاذ القرارات التالية إعتباراً من اليوم

٣ نوفمبر ٢٠١٦ :

- ١- إطلاق الحرية للبنوك العاملة في مصر في تسعير النقد الأجنبي وذلك من خلال آلية الإنترنت .
- ٢- رفع سعري عائد الإيداع والإقراض لليلة واحدة بواقع ٣٠٠ نقطة أساس ليصل إلى ١٤,٧٥% و ١٥,٧٥% على التوالي. ورفع سعر العملية الرئيسية للبنك المركزي بواقع ٣٠٠ نقطة أساس ليصل إلى ١٥,٢٥% وزيادة سعر الإئتمان والخصم بواقع ٣٠٠ نقطة أساس ليصل إلى ١٥,٢٥%.
- ٣- السماح للبنوك بفتح فروعها حتى الساعة التاسعة مساءً وأيام العطلة الأسبوعية بغرض تنفيذ عمليات شراء وبيع العملة وصرف حوالات المصريين العاملين في الخارج.

ومن جهة أخرى يؤكد البنك المركزي المصري على ما يلي:

- ١- لن يتم فرض شروط للتنازل عن العملات الأجنبية.

- ٢- بضمن البنك المركزي أموال المودعين بالجهاز المصرفي بكافة العملات.
- ٣- لا توجد أية قيود على إيداع وسحب العملات الأجنبية للأفراد والشركات.
- ٤- استمرار حدود الإيداع والسحب السابقة للشركات التي تعمل في مجال استيراد السلع والمنتجات غير الأساسية فقط بواقع ٥٠ ألف دولار خلال الشهر بالنسبة للإيداع وبواقع ٣٠ ألف دولار يومياً بالنسبة للسحب.

وتأتي قرارات البنك المركزي في سياق البرنامج الأوسع للإصلاح المالي والهيكلية الذي أعلنته الحكومة المصرية وجاري تنفيذه بإحكام لتخفيض عجز الموازنة والدين العام من خلال إكمال إصلاح منظومة الدعم وترشيد الإنفاق الحكومي وخفض الواردات خاصة الإستيراد العشوائي وزيادة الصادرات وتشجيع الإستثمار المحلي والأجنبي وبرنامج الطرودات في البورصة المصرية والذي تم مؤخراً إتخاذ العديد من القرارات النافذة بشأنه من قبل المجلس الأعلى للإستثمار. كما يستهدف برنامج الإصلاح تحقيق التوازن المطلوب بين الإجراءات الترشيدية والإحتواء الكامل لآثاره على محدودتي الدخل من خلال التوسع في برنامج الحماية الإجتماعية المتكاملة والتزام البنك المركزي بتوفير النقد الأجنبي المطلوب لإستيراد السلع الغذائية الأساسية.

إن قرارات البنك المركزي بتحرير أسعار الصرف تستهدف إستعادة تداول النقد الأجنبي داخل القطاع المصرفي وبالتالي إنهاء حالة الإضطراب في أسواق العملة بما يعكس قوى العرض والطلب الحقيقية إستهدافاً لإستقرار أسعار الصرف وإستقرار الأسواق.

كما تعد منظومة أسعار الصرف الجديدة جزء من حزمة الإصلاحات التي تدعم غرض البنك المركزي الأصيل المتمثل في إستهداف التضخم وإستقرار الأسعار على المدى المتوسط ومن هذا المنطلق سيتابع البنك المركزي عن قرب تطورات تطبيق تلك المنظومة لضمان فعاليتها وأنه لن يتوانى عن توظيف كامل أدواته وصلاحياته للحفاظ على إنتظام أسواق النقد وإدارة السيولة والحفاظ على إستقرار مستوى الأسعار في الأجل المتوسط، كما أنه لن يسمح لأي من الجهات التابعة لإشرافه بعرقلة تطبيق المنظومة الجديدة.

وفي ذات السياق يدعو البنك المركزي جميع المتعاملين في الأسواق بالتعاون لإنتاج المنظومة بما فيها الصالح العام للإقتصاد المصري بحيث يتم الإلتزام التام بالتعامل في النقد الأجنبي من خلال القنوات الرسمية وبالأسعار المعلنة، ذلك مع الأخذ في الإعتبار أن الإتجار في النقد الأجنبي خارج القنوات الشرعية أمر يجرمه قانون البنك المركزي والجهاز المصرفي والنقد الصادر بالقانون رقم ٨٨ لسنة ٢٠٠٣ وتعديلاته اللاحقة.



وفي هذا الصدد سيتم بداية من يوم الأحد الموافق ٦ نوفمبر ٢٠١٦ تشغيل مركز إتصال (Hotline) خاص بالبنك المركزي تحت رقم ١٦٧٧٥ يتم من خلاله تلقي شكاوى العملاء فيما يخص الممارسات الخاطئة لوحدة الجهاز المصرفي أو شركات الصرافة في حالة مخالفة التعليمات الصادرة وبالأخص في حالة عدم قبول إجراء الإيداعات والسحوبات النقدية بالعملة الأجنبية، أو في حالة تداول العملة من خلال القنوات غير الشرعية أو بأسعار تختلف عن الأسعار المعلنة ليتم التعامل مع تلك الحالات وفقاً لقواعد البنك المركزي في حالة المخالفة.

ويعزز البنك المركزي قوة وصلابة الجهاز المصرفي من ناحية ربحيته ومؤشراته الأساسية من سيولة وقوة رؤوس الأموال ونتائج الأعمال، حيث حقق الجهاز المصرفي نمواً في الأرباح بنسبة ٥٥,٤% في يونيو ٢٠١٦ بالمقارنة بنفس الفترة للعام السابق بإجمالي صافى أرباح بلغت ٣٣ مليار جنيه مصري وإجمالي أصول بلغت ٣٠٦٧ مليار جنيه مصري، ليستمر في القيام بدوره في تمويل خطط التنمية الإقتصادية.

إن سياسات وقرارات البنك المركزي المدروسة بكل الدقة تتبع من إيمانه بدوره الوطني وتقدير قيادته لمسئوليته في حماية مقدرات الوطن والإسهام في تمكينه من تحطيم أزمته وإنطلاقه بكل قوة ليحقق نمواً متزايداً ومستقبلاً واعداً بالخير والرخاء ويستجيب لطموحات هذا الشعب العظيم.

## Appendix 2



Press Release  
November 17, 2016

*In its meeting held on November 17, 2016, the Monetary Policy Committee (MPC) decided to keep the overnight deposit rate, overnight lending rate, and the rate of the CBE's main operation unchanged at 14.75 percent, 15.75 percent, and 15.25 percent, respectively. The discount rate was also kept unchanged at 15.25 percent.*

Annual headline inflation declined to 13.56 percent in October 2016 from 14.09 percent in September 2016 due to a favorable base effect, as the monthly rate rose by 1.70 percent in October from 1.25 percent in September. The bulk of the monthly increase occurred due to core items, particularly food, education and retail, while volatile food prices declined. Consequently, annual core inflation rose to 15.72 percent in October 2016 from 13.93 percent in September 2016, and the monthly rate rose by 2.81 percent in October from 1.39 percent in September.

Despite elevated inflation rates in October 2016, the contribution of the pass-through from previous exchange rate movements as well as the estimated decline of potential output growth at current demand levels remained moderate. Annual real GDP reportedly grew by 4.3 percent in the fiscal year 2015/16 compared 4.4 percent in 2014/15. Labor market data show that the unemployment rate narrowed to 12.5 percent in the quarter ending June 2016 after peaking at 13.4 percent in the quarter ending December 2013, supported by lower real unit labor costs relative to productivity. The unemployment rate inched up to 12.6 percent in the quarter ending September 2016.

Looking ahead, annual inflation is expected to be impacted by transitory cost-push factors stemming from the economic reform measures before beginning to narrow. At the same time, the liberalization of the foreign exchange market in addition to fiscal and structural reform measures are expected to increase potential output growth, which coupled with weaker demand – partly due to tighter monetary conditions – is estimated to partly offset cost-push pressures.

Developments in the external economic environment show that there has been some firming of international commodity prices, while low global inflation and subdued growth support low cost-push and demand-pull pressures on domestic prices, respectively.

From the monetary perspective, broad and reserve money growth are likely to be impacted going forward by the phasing out of monetary financing of the fiscal deficit as well as relatively higher foreign reserves accumulation. Based on the targeted reserve money and the inflation outlook assessed in the extraordinary MPC meeting on November 3, 2016, tightening monetary conditions was warranted, and the CBE raised its key policy rates by 300 basis points and absorbed excess liquidity via longer-term deposit auctions.

At this juncture and given the balance of risks, the MPC judges that the key CBE rates are currently appropriate. The MPC reiterates its price stability mandate and will continue to closely monitor all economic and monetary developments, and will not hesitate to adjust the key CBE rates to ensure price stability over the medium-term.

Monetary Policy Sector  
Tel: +20227701315  
E-mail: [monetary.policy@cbe.org.eg](mailto:monetary.policy@cbe.org.eg)

## Appendix 3



Press Release  
February 16, 2017

In its meeting held on February 16, 2017, the Monetary Policy Committee (MPC) decided to keep the overnight deposit rate, overnight lending rate, and the rate of the Central Bank of Egypt's (CBE) main operation unchanged at 14.75 percent, 15.75 percent, and 15.25 percent, respectively. The discount rate was also kept unchanged at 15.25 percent.

Annual headline inflation rose to 28.14 percent in January 2017 due to exceptional monthly increases averaging 4.01 percent between November 2016 and January 2017 that were strongly impacted by the economic reform measures. The higher monthly inflation in January (4.07 percent) compared to December (3.13 percent) is estimated to be partly driven by relatively higher regular monthly dynamics as well as the introduction of higher custom tariffs in the end of 2016.

Between November 2016 and January 2017, inflation has been mainly driven by tradable items, while the contribution of non-tradable items started to decline in December, confirming cost-push factors to be the main inflation driver. Core items experienced the largest increases, particularly food, while the joint contribution of retail and services has been narrowing in relative terms. In the meantime, non-core food prices (volatile food) and regulated prices also rose somewhat in January. Given the increases in core items, annual core inflation rose to 30.86 percent in January 2017 due to average monthly inflation of 4.89 percent between November 2016 and January 2017 .

Annual real GDP growth declined to 3.4 percent in 2016/17 Q1 after averaging 4.3 percent between 2014/15 and 2015/16. The drop was mainly driven by consumption, while the contribution of gross fixed investment held steady as the increase in private investment offset the decline in public investment. Furthermore, the negative contribution of net exports narrowed, mainly due to the recovery of exports which registered its first positive contribution to real GDP growth since 2014/15 Q2, while the negative contribution of imports lessened. Labor market data show that the unemployment rate narrowed to 12.4 percent in 2016/17 Q2, continuing its downward trend after peaking at 13.4 percent in 2013/14 Q2.

Developments in the external environment show that there has been some firming of international commodity prices, while low global inflation and subdued global growth, albeit recovering, maintain weak pressures on domestic prices.

From the monetary perspective, annual broad money growth has been strongly affected by the revaluation effects of its foreign currency components. Excluding revaluation effects, higher broad money growth during November and December came mainly due to the recovery of net foreign assets, evident by the CBE's international reserve accumulation. In the meantime the growth of reserve money is expected to be impacted by the phasing out of monetary financing of the fiscal deficit.

Looking ahead, annual inflation is expected to drop after transitory cost-push effects subside and monthly inflation rates decline, supported by preemptive monetary policy actions, term absorption of excess liquidity, as well as favorable base effects.

Consistent with the inflation outlook, the targeted disinflation path, and given the balance of risks, the MPC judges that the key CBE rates are currently appropriate. The MPC reiterates its price stability mandate and will continue to closely monitor all economic and monetary developments, and will not hesitate to adjust the key CBE rates to ensure price stability over the medium-term.

Monetary Policy Sector

Tel: +20227701315

E-mail: [monetary.policy@cbe.org.eg](mailto:monetary.policy@cbe.org.eg)

## Appendix 4



Press Release  
March 30, 2017

In its meeting held on March 30, 2017, the Monetary Policy Committee (MPC) decided to keep the overnight deposit rate, overnight lending rate, and the rate of the Central Bank of Egypt's (CBE) main operation unchanged at 14.75 percent, 15.75 percent, and 15.25 percent, respectively. The discount rate was also kept unchanged at 15.25 percent.

Monthly headline inflation dropped to 2.63 percent in February 2017, after averaging 4.01 percent between November 2016 and January 2017, reflecting fading cost-push inflationary pressures. Inflation has been mainly driven by tradable items, led by core food items which registered in February the lowest contribution since October 2016, while the contribution of non-tradable items dropped since December 2016. Accordingly, monthly core inflation dropped to 2.61 percent in February 2017 after averaging 4.89 percent between November 2016 and January 2017. Nevertheless, given elevated monthly inflation rates, annual headline and core inflation registered 30.25 percent and 33.10 percent in February 2017, respectively.

Meanwhile, annual real GDP growth recorded 3.8 percent in 2016/17 Q2 following the 3.4 percent recorded in Q1. This coincided with the narrowing of the unemployment rate to 12.4 percent in 2016/17 Q2 from 12.6 percent in Q1, resuming its downward trend after peaking at 13.4 percent in 2013/14 Q2. However, annual real GDP growth weakened compared to the 4.5 percent registered during the first half of 2015/16.

Developments in the external environment show that there has been some firming of international commodity prices, while low global inflation and subdued global growth continue to maintain weak pressures on domestic prices, albeit recovering and beginning to set the stage for monetary policy normalization.

From the monetary perspective, annual broad money growth has been strongly affected by revaluation effects of its foreign currency components. Excluding revaluation effects, higher broad money growth between November 2016 and February 2017 came mainly due to the recovery of net foreign assets, evident by the CBE's international reserve accumulation. Furthermore, money growth will continue to be impacted by the phasing out of the CBE's monetary financing of the fiscal deficit. In the meantime, the longer-term absorption of excess liquidity continued to tighten liquidity conditions.

Looking ahead, annual inflation is expected to drop after transitory cost-push effects diminish and monthly inflation rates moderate, supported by the previous preemptive policy rate hikes, longer-term absorption of excess liquidity, as well as by favorable base effects.

Consistent with the inflation outlook and the targeted disinflation path, the MPC judges that the key CBE rates are currently appropriate. The MPC reiterates its price stability mandate and will continue to closely monitor all economic and monetary developments as well as the balance of risks, and will not hesitate to adjust the key CBE rates to ensure price stability over the medium-term.

Monetary Policy Sector

Tel: +20227701315

E-mail: [monetary.policy@cbe.org.eg](mailto:monetary.policy@cbe.org.eg)

## Appendix 5



Press Release  
May 21, 2017

In its meeting held on May 21, 2017, the Monetary Policy Committee (MPC) decided to raise the overnight deposit rate, overnight lending rate, and the rate of the Central Bank of Egypt's (CBE) main operation by 200 basis points to 16.75 percent, 17.75 percent, and 17.25 percent, respectively. The discount rate was also raised by 200 basis points to 17.25 percent.

Headline inflation registered 1.69 percent (m/m) in April 2017, recording its third consecutive decline due to fading cost-push pressures after averaging 4.01 percent (m/m) between November 2016 and January 2017. Meanwhile, annual headline inflation registered 31.46 percent. Monthly inflation during April was mainly driven by volatile and core food items, while non-food items remained broadly unchanged. Accordingly, core inflation which excludes volatile food items grew by 1.10 percent (m/m) in April, recording a slight increase after decelerating in February and March from the average 4.89 percent (m/m) registered between November 2016 and January 2017. Nevertheless, as monthly core inflation was lower than the respective month of the previous year, the annual rate declined for the second consecutive month to record 32.06 percent.

While the previous tightening of policy rates and the consistent reduction of short-term excess liquidity have so far successfully managed to contain underlying inflation excluding supply-shocks, as evident in the inflation developments above, the balance of risks surrounding the inflation outlook has tilted more strongly to the upside with recent economic and monetary data releases pointing to strengthening demand-side pressures. Furthermore, the MPC envisages risks related to inflation expectations resulting from elevated annual inflation levels despite the continued moderation of monthly rates. Consequently, the MPC decided that tightening monetary conditions are warranted in commitment to its price-stability mandate.

Information received since the MPC met in March show continued improvement of economic activity and a reduction of unemployment. Annual real GDP grew by 3.9 percent in 2016/17 Q3, strengthening from the 3.8 and 3.4 percent recorded in the preceding quarters as well as from the 3.6 percent recorded in 2015/16 Q3. This coincided with the narrowing of the unemployment rate to 12.0 percent in 2016/17 Q3 from 12.4 and 12.6 percent in the preceding quarters.

From the monetary perspective, annual broad money growth has been strongly affected by revaluation effects of its foreign currency components. However, annual broad money growth has also increased excluding revaluation effects due to the recovery of net foreign assets, evident by the CBE's international reserve accumulation, as well as higher loans to the private sector in domestic currency.



Developments in the external environment show that there has been some firming of international commodity prices primarily due to higher oil prices while food price increases were relatively tame. Meanwhile global inflation and economic growth continue to maintain weak pressures on domestic prices, despite their recent recovery.

To further anchor inflation expectations, the MPC decided to increase transparency regarding the targeted disinflation path in its regular statements as well as in the quarterly series of the monetary policy report introduced in March 2017. In accommodation of first-round effects of supply-shocks, the elevated annual headline inflation rate will be temporarily tolerated before it is targeted to decline to 13% (+/- 3%) by 2018 Q4 and to single-digits thereafter. The MPC believes that this target path is appropriate to minimize undesirable macroeconomic volatility. Achieving low and stable inflation over the medium-term supports real incomes and sustains achieved competitiveness gains, which represents a challenge according to Egypt's economic history.

Monetary policy tools are utilized to anchor inflation expectations, contain demand-side pressures and second-round effects resulting from supply shocks that may lead to deviations from inflation targets, as well as to achieve reserve money targets that were designed to be consistent with the inflation targets. The MPC believes that such a flexible monetary targeting framework is appropriate under the liberalized exchange rate regime.

Against this background, the MPC judges that hiking the CBE's key policy rates is consistent with the targeted disinflation path, and reiterates that the objective of its tighter stance is not to offset effects of supply-shocks, rather to contain underlying inflation excluding supply shocks that is affected by inflation expectations and the build-up of demand-side pressures.

The MPC will continue to closely monitor all economic and monetary developments as well as the balance of risks, and will not hesitate to adjust its stance to offset anticipated upside or downside deviations from the inflation target.

**Monetary Policy Sector**

Phone: +20227701315

E-mail: [monetary.policy@cbe.org.eg](mailto:monetary.policy@cbe.org.eg)

## Appendix 6



Press Release  
July 6, 2017

In its meeting held on July 6, 2017, the Monetary Policy Committee (MPC) decided to raise the overnight deposit rate, overnight lending rate, and the rate of the Central Bank of Egypt's (CBE) main operation by 200 basis points to 18.75 percent, 19.75 percent, and 19.25 percent, respectively. The discount rate was also raised by 200 basis points to 19.25 percent.

Annual headline inflation in May 2017 fell for the first time since October 2016 to record 29.7 percent compared to 31.5 percent in the preceding month. The drop was partly due to a favorable base effect stemming from the exchange rate depreciation in March 2016 that strongly impacted prices in May 2016. Meanwhile, annual core inflation continued to be supported by favorable base effects since March 2017, dropping to 30.6 percent in May from 33.1 percent in February.

Monthly headline inflation stabilized at 1.7 percent in May 2017, while monthly core inflation rose to 2.0 percent in May from 1.1 percent in April. The impact of the November 2016 economic reform measures on prices of goods and services has largely passed-through, with the lagged impact affecting prices of items that witnessed delayed or seasonal consumption such as pilgrimage services in May, which contributed by 0.6 percentage points and 0.9 percentage points to headline and core inflation, respectively.

Excluding effects of transitory shocks, underlying inflation remained somewhat higher than consistent with achieving the CBE's target, affected by price-setting behavior in line with annual inflation of 10 percent historically, which has been further magnified recently due to second-round effects of the economic reform measures. This has been reflected especially in food components of core consumer as well as producer prices. Additionally, higher prices of hydrocarbon products effective June 29, 2017, higher value added taxes effective July 1, 2017, higher electricity prices scheduled for July 2017 as well as other potential regulated price adjustments further increase inflationary pressures.

Annual real GDP grew by a revised 4.3 percent in 2016/17 Q3, strengthening from the 3.8 percent and 3.4 percent recorded in the preceding quarters as well as from the 3.6 percent recorded in 2015/16 Q3. This coincided with the narrowing of the unemployment rate to 12.0 percent in 2016/17 Q3 from 12.4 percent and 12.6 percent in the preceding quarters. The structure of economic growth shifted with declining contribution of consumption and increasing contribution of net exports as well as investment by a lesser extent. Tourism, natural gas, trade, construction and non-petroleum manufacturing were the main sectors driving economic growth. This was partly supported by looser monetary conditions stemming from the exchange rate depreciation.

Annual broad money (M2) growth has been strongly affected by revaluation effects of its foreign currency components, recording 39.4 percent in May 2017. Excluding revaluation effects, annual broad money growth increased to 22.1 percent in May 2017, mainly due to the recovery of net foreign assets as well as higher loans to the private sector, while the contribution of net claims on the government eased given higher net external and non-bank financing. In the meantime, annual reserve money (M0) growth adjusted by overnight deposits and seven-day deposit auctions declined to reflect the absorption of short-term excess liquidity, consistent with the tighter monetary policy stance. Furthermore, currency in circulation outside the CBE as a percent of local currency deposits has been reverting to pre-2011 averages, implying normalization of money holding behavior.

Developments in the external environment show some firming of international commodity prices on annual terms, despite registering monthly declines since March 2017 mainly on the back of crude oil prices, while food prices declined at a relatively slower pace. Meanwhile, global inflation and economic growth continue to maintain weak pressures on domestic prices, given their moderate recovery which supports the gradual tightening of global monetary conditions.

Against this background, the balance of risks surrounding the inflation outlook has tilted more strongly to the upside with recent economic and monetary developments. Consequently, the MPC decided that tightening monetary conditions is warranted to achieve the inflation target of 13 percent (+/- 3 percent) in 2018 Q4 and single digits thereafter. The MPC reiterates that the objective of its tighter stance is not to offset first-round effects of supply-shocks, rather to contain second-round effects and ensure that the inflation outlook is consistent with achieving the targeted disinflation path. As soon as underlying inflation starts to moderate, the MPC envisages a measured easing of the monetary stance to allow for a reduction in interest rates.

The MPC will continue to closely monitor all economic and monetary developments as well as the balance of risks, and will not hesitate to adjust its stance to offset anticipated upside or downside deviations from the inflation target.

**Monetary Policy Sector**

Phone: +20227701315

E-mail: [monetary.policy@cbe.org.eg](mailto:monetary.policy@cbe.org.eg)

## Appendix7



Press Release  
July 28, 2016

*In its meeting held on July 28, 2016, the Monetary Policy Committee (MPC) decided to keep the overnight deposit rate, overnight lending rate, and the rate of the CBE's main operation unchanged at 11.75 percent, 12.75 percent, and 12.25 percent, respectively. The discount rate was also kept unchanged at 12.25 percent.*

Headline year-on-year inflation rose to 13.97 percent in June 2016 from 12.30 percent in May 2016, while the month-on-month rate dropped to 0.78 percent in June from 3.05 percent in May. Core inflation rose to 12.37 percent in June 2016 from 12.23 percent in May 2016, while the month-on-month rate dropped to 0.74 percent in June from 3.15 percent in May.

Annual headline inflation in June 2016 was partly affected by unfavorable base effects from the previous year and remained elevated due to the relatively high month-on-month inflation in May 2016. Monthly headline inflation in June 2016 came mainly on the back of higher prices of volatile food items, in addition to core food items, particularly red meat and poultry. Furthermore, monthly headline inflation was affected by retail items, particularly seasonal increases in the prices of clothing and footwear associated with the Eid-Al-Fitr festivities. The pass-through of previous exchange rate movements to domestic prices as measured by the consumer price index remained limited.

Output remained unfavorably impacted by domestic as well as external factors. Domestic demand contributed 4.8 percentage points to the 4.5 percent real GDP growth in the first half of 2015/16, while net external demand contributed negative 0.3 percentage points. By sector, the services sector was the highest contributor to economic growth, particularly construction and real estate, while tourism contributed negatively. Furthermore, growth continued to be supported by internal trade, agriculture and the general government sectors, whereas the industrial sector contributed negatively mainly due to continued weakness in the mining activity, but also due to negative contribution of non-petroleum manufacturing.

At this juncture, the MPC judges that the key CBE rates are currently appropriate given the balance of risks surrounding the inflation and GDP outlooks.

The MPC reiterates its price stability mandate and will continue to closely monitor all economic developments, particularly fiscal policy and its effect on the inflation outlook, and will not hesitate to adjust the key CBE rates to ensure price stability over the medium-term.

Monetary Policy Sector

Tel : 27701315

E-mail: [monetary.policy@cbe.org.eg](mailto:monetary.policy@cbe.org.eg)

## **Appendix 7**

### **Code Book**

**What was the tone of the CBE press releases?**

**Positive**

**Negative**

**Neutral**

**What were the future insights of the flotation in the CBE press releases?**

**Optimistic**

**Pessimistic**

**What are the frames used in the CBE press releases?**

**What was the tone of the online coverage of the flotation?**

**Positive**

**Negative**

**Neutral**

**What were the future insights of the flotation in the online coverage?**

**Optimistic**

**Pessimistic**

**What are the frames used in the online coverage?**

**What are the sources used in the online coverage?**

**Officials**

**Non-officials**

**International news wire/ research company**

**Press release**

**What are the journalistic styles used in the online coverage?**

**News**

**Feature**

**Interview**

**Column**

**How many articles covered the flotation in each news website from November 2016 to July 2017?**

## References

- Adel, H. (2016). "Egyptian Pound Devaluation and its Impacts" Retrieved from <https://infomineo.com/egyptian-pound-devaluation-and-its-impacts-on-the-egyptian-economy/>
- Al Otiabi, N. (2015). The Relationship between Economic News and Market Price Fluctuations. (Unpublished master's dissertation). Faculty of Mass Communication, Cairo University, Egypt.
- Al-Nahas, H. (2016) .Al -Wafd Press Trends on Political, Economic and Social Issues (Unpublished master's dissertation). Faculty of Mass Communication, Cairo University, Egypt.
- Al-Sherif, S.(2013).The Impact of Businessmen use of Economic Newspapers and News Websites on their Social Attitudes (Unpublished master's dissertation). Faculty of Mass Communication, Cairo University, Egypt.
- Amaya, Diego, & Filbien, Jean-Yves (2015). The similarity of ecb's communication. Finance Research Letters, 13, 234–242.
- Baden, C., & Springer, N. (2014). Complementing the news on the financial crisis: The contribution of news users' commentary to the diversity of viewpoints in the public debate. European journal of communication, 29(5), 529-548.
- Beckman, M. D. (1975). The Problem of Communicating Public Policy Effectively: Bill C-256 and Winnipeg Businessmen. Canadian Journal of Political Science/Revue canadienne de science politique, 8(1), 138-143.
- Bell, M. (2005). Communicating monetary policy in practice. Retrieved from <http://www.bankofengland.co.uk/archive/Documents/historicpubs/speeches/2005/speech244.pdf>
- Bennani, H. (2015). The Euro Area, a Stressful Monetary Union? Learning from Newspapers' Monetary Policy Coverage. Journal of Economic Issues, 49(4), 1008-1027.
- Berger, Helge, Haan, Jakob de, & Sturm, Jan-Egbert (2011). Does money matter in the ECB strategy? New evidence based on ECB communication. International Journal of Finance & Economics, 16(1), 16–31.



- Birz, G., & Lott, J. R. (2011). The effect of macroeconomic news on stock returns: New evidence from newspaper coverage. *Journal of Banking & Finance*, 35(11), 2791-2800.
- Borah, P. (2011). Conceptual issues in framing theory: A systematic examination of a decade's literature. *Journal of communication*, 61(2), 246-263.
- Brand, Claus, Buncic, Daniel, & Turunen, Jarkko (2010). The impact of ECB monetary policy decisions and communication on the yield curve. *Journal of the European Economic Association*, 8(6), 1266–1298.
- Burkhard, L., & Fischer, A. M. (2009). Communicating policy options at the zero bound. *Journal of International Money and Finance*, 28(5), 742-754.
- Cappella, J. N., & Jamieson, K. H. (1997). *Spiral of cynicism: The press and the public good*. Oxford University Press, USA.
- Chong, D., & Druckman, J. N. (2007). Framing theory. *Annu. Rev. Polit. Sci.*, 10, 103-126.
- Chortareas, G., Cipollini, A., & Eissa, M. A. (2012). Switching to floating exchange rates, devaluations, and stock returns in MENA countries. *International Review of Financial Analysis*, 21, 119-127.
- Corneo, G. 2006. "Media Capture in a Democracy: The Role of Wealth Concentration."
- Damstra, A., & Vliegthart, R. (2016). Uncovering the Economic Crisis? Over-time and inter-media differences in salience and framing. *Journalism Studies*, 1-21.
- Dearing, J. W., & Rogers, E. (1996). *Agenda-setting* (Vol. 6). Sage publications.
- De Vreese, C. H. (2005). News framing: Theory and typology. *Information design journal+ document design*, 13(1), 51-62.
- Doudaki, V., Boubouka, A., Spyridou, L. P., & Tzalavras, C. (2016). Dependency, (non) liability and austerity news frames of bailout Greece. *European Journal of Communication*, 31(4), 426-445.

Entman, R. M. (1993). Framing: Towards clarification of a fractured paradigm. *McQuail's reader in mass communication theory*, 390-397.

Entman, R. M. (2004). *Projections of power: Framing news, public opinion, and US foreign policy*. University of Chicago Press.

Etikan, I., Musa, S. A., & Alkassim, R. S. (2016). Comparison of convenience sampling and purposive sampling. *American Journal of Theoretical and Applied Statistics*, 5(1), 1-4.

Fairhurst, G. & Sarr, R. 1996. *The art of Framing*. San Francisco: Jossey-Bass.

Galal, A. (2003). To float or not float: That is no longer the question for Egypt. *ECES Policy Viewpoint*, 13.

Garz, M. (2013). Unemployment expectations, excessive pessimism, and news coverage. *Journal of Economic Psychology*, 34, 156-168.

Goidel, R. K., & Langley, R. E. (1995). Media coverage of the economy and aggregate economic evaluations: Uncovering evidence of indirect media effects. *Political Research Quarterly*, 48(2), 313-328.

Geiß, S., Weber, M., & Quiring, O. (2016). Frame Competition After Key Events: A Longitudinal Study of Media Framing of Economic Policy After the Lehman Brothers Bankruptcy 2008–2009. *International Journal of Public Opinion Research*, edw001.

Gürkaynak, Refet S. (2005). Using federal funds futures contracts for monetary policy analysis. *Federal Reserve Finance and Economics Discussion Series*. URL:<https://ideas.repec.org/p/fip/fedgfe/2005-29.html>.

Gürkaynak, Refet S., Sack, Brian, & Swanson, Eric T. (2005). Do actions speak louder than words? The response of asset prices to monetary policy actions and statements. *International Journal of Central Bank (CBE)ing*, 1(1), 55–93.

H. De Vreese, Jochen Peter, Holli A. Semetko, C. (2001). Framing politics at the launch of the Euro: A cross-national comparative study of frames in the news. *Political communication*, 18(2), 107-122.

Hester, J. B., & Gibson, R. (2003). The economy and second-level agenda setting: A time-series analysis of economic news and public opinion about the economy. *Journalism & Mass Communication Quarterly*, 80(1), 73-90.

Hughes, Peter T., & Kesting, Stefan (2014). A literature review on Central Bank (CBE) communication. *On the Horizon*, 22(4), 328–340.

Hüning, H. (2017). Asset market response to monetary policy news from SNB press releases. *The North American Journal of Economics and Finance*, 40, 160-177.

James, E. K., & Boukes, M. (2017). Framing the economy of the East African Community: A decade of disparities and similarities found in Chinese and Western news media's reporting on the East African Community. *International Communication Gazette*, 1748048516688130.

Jenkins, P. (2004). Communication—a vital tool in the implementation of monetary policy. In *Remarks to the FMAC/FMA-USA Joint Conference*.

Kalogeropoulos, A., Albæk, E., de Vreese, C. H., & Van Dalen, A. (2015). The predictors of economic sophistication: Media, interpersonal communication and negative economic experiences. *European Journal of Communication*, 30(4), 385-403. 100

Kahn, G. A. (2007). Communicating a policy path: the next frontier in Central Bank (CBE) transparency? *Economic Review-Federal Reserve Bank of Kansas City*, 92(1), 25.

Knupfer, N. N., & McLellan, H. (1996). Descriptive research methodologies. *Handbook of research for educational communications and technology*, 1196-1212.

Kostadinova, P., & Dimitrova, D. V. (2012). Communicating policy change: Media framing of economic news in post-communist Bulgaria. *European Journal of Communication*, 27(2), 171-186. Lasswell, H. D. (1948). The structure and function of communication in society. *The communication of ideas*, 37, 215-228.

Lapp, J. S., & Pearce, D. K. (2012). The impact of economic news on expected changes in monetary policy. *Journal of Macroeconomics*, 34(2), 362-379.

Liu, N. X. (2017). Same perspective, different effect: framing the economy through financial news translation. *Perspectives*, 1-12.

Lott Jr, J. R., & Hassett, K. A. (2014). Is newspaper coverage of economic events politically biased? *Public Choice*, 160(1-2), 65-108.

Lischka, J. A. (2014). Different revenue incentives, different content? Comparing economic news before and during the financial crisis in German public and commercial news outlets over time. *European Journal of Communication*, 29(5), 549-566.

Lucca, David, Francesco Trebbi (2009). Measuring Central Bank (CBE) communication: An automated approach with application to fomic statements. NBER Working Paper Series. URL: <http://www.nber.org/papers/w15367>.

Mahmoud, D. (2016). Frames of Economic and Social Issues after the Revolution in News Websites and Social Media, and their Impact on Public Attitudes towards these issues (Unpublished doctoral dissertation). Faculty of Mass Communication, Cairo University, Egypt.

Massoud, A. A., & Willett, T. D. (2014). Egypt's Exchange Rate Regime Policy after the Float. *International Journal of Social Science Studies*, 2(4), 1-16.

Mylonas, Y. (2012). Media and the economic crisis of the EU: The 'Culturalization' of a systemic crisis and Bild-Zeitung's framing of Greece. *Triple C: Communication, Capitalism & Critique. Open Access Journal for a Global Sustainable Information Society*, 10(2), 646-671.

Mercille, J. (2013). European media coverage of Argentina's debt default and recovery: Distorting the lessons for Europe. *Third World Quarterly*, 34(8), 1377-1391.

Neuenkirch, M. (2014). Federal Reserve communications and newswire coverage. *Applied Economics*, 46(25), 3119-3129

Newman, B. (2013). Polls and Elections: Decreasing the Economy's Impact on Evaluations of the President: An Experiment on Attribution Framing. *Presidential Studies Quarterly*, 43(4), 866-882.

Nguyen, A. (2010). Harnessing the potential of online news: Suggestions from a study on the. *Journalism*, 11(2), 223-241.

Paiardini, P. (2014). The impact of economic news on bond prices: Evidence from the MTS platform. *Journal of Banking & Finance*, 49, 302-322.

Quiring, O., & Weber, M. (2012). Between usefulness and legitimacy: media coverage of governmental intervention during the financial crisis and selected effects. *The International Journal of Press/Politics*, 17(3), 294-315.

Radu, L., & Ștefăniță, O. (2012). Framing the economic crisis in the Romanian online media. *Revista Română de Comunicare și Relații Publice*, (2), 29-46.

Rinaldo, Angelo, & Rossi, Enzo (2010). The reaction of asset markets to Swiss national bank communication. *Journal of International Money and Finance*, 29 (3), 486–503.

Shen, F. (2004). Effects of news frames and schemas on individuals' issue interpretations and attitudes. *Journalism & Mass Communication Quarterly*, 81(2), 400-416.

Scheufele, Dietram A. 1999. "Framing as a Theory of Media Effects." *Journal of Communication* 49 (4): 103-22. Schifferes, S., & Coulter, S. (2013). Downloading disaster: BBC news online coverage of the global financial crisis. *Journalism*, 14(2), 228-252.

Su, L. (2008). Impacts of mass media coverage of the economy during normal times and recessions on the Index of Consumer Confidence using time series analysis and Granger causal analysis. ProQuest.

Svensson, H. M., Albæk, E., van Dalen, A., & de Vreese, C. H. (2017). The impact of ambiguous economic news on uncertainty and consumer confidence. *European Journal of Communication*, 32(2), 85-99.

Taborda, R. (2013). Bias in economic news: The reporting of nominal exchange rate behavior in Colombia. *Economía*, 14(1), 103-153.

Tromble, R., & Meffert, M. (2016). The life and death of frames: Dynamics of media frame duration. *International Journal of Communication*, 10, 23.

Velthuis, O. (2015). Making monetary markets transparent: the European Central Bank (CBE)'s communication policy and its interactions with the media. *Economy and Society*, 44(2), 316-340.

Wimmer, R.D. and Dominick, J.R. "Mass Media Research: An Introduction". Thomson, Wadsworth. Australia, (2003)

World Bank. (2017). The World Bank in Egypt. Retrieved from <http://www.worldbank.org/en/country/egypt/overview>

Zaki, O. (2012). Frames of the Egyptian Economy Issues in the International and Local Economic Press from July 2004 to July 2007 (Unpublished master's dissertation). Faculty of Mass Communication, Cairo University, Egypt.