

Press Release

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Worry about unemployment at historic low

The "Challenges of Europe 2013" GfK Verein study

Nuremberg, 9 July 2013 – Although unemployment remains the number one concern for Germans this year, it continues to be on a downward trend. This is a finding of the current "Challenges of Europe" study carried out by the GfK Verein, which asks European citizens each year about issues which require urgent resolution in their countries. Unemployment and price developments also lead the list of concerns in Europe overall. In light of the ongoing eurozone crisis, Ireland was included in the survey this year.

Unemployment remains the top concern, but only just under a third of Germans are currently still worrying about the situation on the labor market. This is two percentage points less than in the previous year and is the lowest value that has been recorded since the pan-German survey began in 1990. "These figures reflect the good situation on the labor market. Most recently we registered the lowest unemployment rate since reunification," comments Ronald Frank, Head of Studies at the GfK Verein. Germany is the only country in Europe where unemployment has dropped considerably despite the economic crisis.

There is a marked difference between East and West Germany for this issue. Unemployment is the top challenge throughout the country, but while only 28 percent are now worried about the labor market in the old Western states, the figure for East Germany is 44 percent. When it comes to inflation, the issue is in second position on the list. On this matter, Germans in the newer Eastern states are considerably more concerned (38 percent) than those in the West (26 percent).

The ongoing financial and debt crises are resulting in fears of inflation gaining ground again in Germany overall. Over the course of the year, the share of those worried about this issue increased by 3 percentage points to 29 percent, cementing it as the second most prevalent cause for concern. This was reinforced by the fact that the closest challenger until now has

dropped back, as concern for economic stability has fallen from 24 percent to 16 percent.

Growing concern about education policy

Education policy made the biggest leap in Germans' list of concerns this year, going up by 4 percentage points. This topic therefore moved from seventh place to third. The publication of The National Report on Education 2012 (Bildungsbericht 2012) is among the reasons why the debate on this subject has intensified further. Increased concern was also registered for state finances and crime, at 10 percent and 8 percent respectively. They are therefore in the top ten concerns for the first time this year.

Challenges in Germany (2002 to 2013)					
Percentage of those surveyed who regard these issues ("challenges") as the most urgent to be resolved in Germany (open-ended answers; expressed in %; rounded up; multiple answers possible)					
	2002	2006	2010	2012	2013
Unemployment	74	80	66	34	32
Price/purchasing power	14	11	24	26	29
Education policy	5	9	14	12	16
Economic stability	11	8	26	24	16
Pensions/old age provisions	12	18	19	13	14
Poverty	-	2	5	12	13
Social security	8	10	17	11	12
Family policy	4	7	7	9	10
State finances	3	6	12	9	10
Crime	17	6	15	7	8

Source: Challenges of Europe 2013, GfK Verein

Employment remains no. 1 worry in Europe

The study was also repeated in ten other European countries and Ireland was added to the survey for the first time this year. As in the previous year, the average number of concerns is 2.0 challenges. Germans are once again the biggest worriers in Europe, naming 2.5 problems on average (2012: 2.6 challenges). The most trouble-free nation is still Sweden, with only 1.2 challenges named on average (2012: 1.1 problems), although Ireland had the same average this year.

Unemployment took the top spot again in Europe, with a slight decrease of 1 percentage point on the previous year. This was the top issue in 10 out of 12 of the countries polled. Only in Russia and the Netherlands are other topics ahead on the list, with inflation and economic stability at number one respectively. In seven countries, concern about unemployment increased year-on-year. The subject of unemployment was by far the most represented in Spain, at 72 percent, followed closely by France, at 69 percent.

Inflation is once again second on the list of concerns. One in five Europeans are worried about this issue, which is a slight reduction on the previous year's figure. Russians (31 percent) and Germans (29 percent) are particularly concerned about the stability of their currency. The biggest fall in inflation-related worries was registered in France, where the proportion fell by 13 percentage points year-on-year to 21 percent, and Belgium, where it dropped 9 percentage points to 13 percent.

Corruption is a new addition to the European top 10 problems this year, ranking ninth with 7 percent. This is above all attributable to Spain, which saw the proportion worried about this issue shoot up from 4 percent to 27 percent in the last year. The corruption scandal in which Spain's Prime Minister Mariano Rajoy and members of his ruling party were embroiled has evidently unsettled a large share of the population.

Challenges in Europe 2013												
	Total	Germany	France	Italy	Spain	Austria	United Kingdom	Poland	Belgium	Russia	Netherlands	Sweden
Percentage of those surveyed who regard these issues ("challenges") as the most urgent to be resolved the respective country: (open-ended answers; expressed in %; rounded up; multiple answers possible)												
Unemployment	37	32	69	52	72	28	24	58	28	11	16	33
Price/purchasing power	20	29	21	11	2	13	8	23	13	31	3	2
Economic stability	15	16	14	31	27	12	19	7	16	6	21	7
Health service	11	7	7	9	14	7	17	24	3	8	14	8
Housing problems/ rents/real estate prices	10	3	11	1	14	2	5	2	3	22	11	2
Politics/government	9	7	5	22	16	13	6	11	21	3	6	2
Pensions/old age provisions	8	14	8	5	2	15	2	6	4	13	4	2
Education policy	8	16	8	3	10	10	9	3	3	7	5	9
Corruption	7	1	0	8	27	8	0	2	1	11	0	-
Crime	7	8	10	9	2	6	10	2	10	4	9	1

Source: Challenges of Europe 2013, GfK Verein

Crisis for Celtic Tiger

In view of the ongoing financial and economic crisis, the study was also carried out in Ireland this year. As the results could not be compared to previous years, Ireland was not included in the overall calculations for Europe.

The eurozone country worst affected by the banking and government debt crisis was almost certainly Ireland. Challenges directly related to the economic crisis were named as requiring urgent attention by approximately two out of three respondents in Ireland. The main problems are linked to issues on the labor market. One in four feel that more needs to be done to secure and develop employment and a further 20 percent are worried about unemployment. This is not surprising given that, according to the OECD figures, the unemployment rate in Ireland more than tripled between 2005 and 2012. It is currently at 14.2 percent.

Concern about economic development was the third most prevalent challenge in Ireland, at 18 percent. Over the course of the economic and financial crisis, in 2008 the former Celtic Tiger slipped into a recession, which lasted until 2010. However, Eurostat is forecasting positive growth rates again for Ireland both this year and in 2014.

Challenges in Ireland in 2013	
Percentage of those surveyed who regard these issues ("challenges") as the most urgent to be resolved in Ireland (open-ended answers; expressed in %; rounded up; multiple answers possible)	
Work/employment	25
Unemployment	20
Economic stability	18
Health service	12
State finances	6
Price/purchasing power development	4
Tax policy	4
Politics/Government	4
Crime	4
Housing problems/rents/real estate prices	3

Source: Challenges of Europe 2013, GfK Verein

About the study

These findings are an extract from the GfK “Challenges of Europe 2013” study and are based on around 13,300 consumer interviews which were carried out on behalf of the GfK Verein in February 2013 in Austria, Belgium, France, Germany, Italy, the Netherlands, Poland, Russia, Spain, Sweden, the United Kingdom, and now also Ireland.

The basis of the survey is the following open question, which is asked, unchanged, every year: “In your opinion, what are the most important issues that need to be resolved in [relevant country] today?” Respondents are not limited in their answers, multiple answers are permitted.

About GfK Verein

The GfK Verein was established in 1934 as a non-profit organization for the promotion of market research. Its membership consists of approximately 600 companies and individuals. The purpose of the Verein is to develop innovative research methods in close cooperation with academic institutions, to promote the training and further education of market researchers, to observe the structures and developments in society, the economy and politics that play a key role in private consumption, and to research their effects on consumers. Survey results are made available to the membership free of charge. The GfK Verein is a shareholder in GfK SE. Further information: www.gfk-verein.org

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