

Press release

Date
June 19, 2012

Sandra Lades
GfK Verein press
Tel. +49 911 395 3606
sandra.lades@gfk-verein.org

Ronald Frank
GfK Verein studies
Tel. +49 911 395 3004
ronald.frank@gfk-verein.org

GfK-Nürnberg e.V.
Nordwestring 101
D-90419 Nürnberg

Tel +49 (0)911/395-3606
Fax +49 (0)911/395-2715
www.gfk-verein.org
info@gfk-verein.org

Managing Director:
Prof. Dr. Raimund Wildner

Executive Board:
Peter Zühlsdorff (President)
Ralf Klein-Bölting
Prof. Dr. Nicole Koschate
Prof. Hubert Weiler
Prof. Dr. Raimund Wildner
(Vice President)

Association Register VR200665
Nürnberg District Court

Germans are worrying less

The "Challenges of Europe 2012" GfK Verein study

Nuremburg, June 19, 2012 – Alongside France, Germany remains the top nation of worriers in Europe, but the worry lines are considerably less deep this year. This is the finding of the current "Challenges of Europe" study carried out by the GfK Verein, which each year asks European citizens about issues which require urgent resolution in their countries. Germans continue to put unemployment in pole position, but this tendency is definitely decreasing. The subjects of inflation and economic stability are getting ever closer to the top spot. In Europe as a whole, these three challenges head the list of concerns. Greek citizens were polled for the first time this year.

Compared with last year, Germans are worrying significantly less. In the current GfK Verein study, each German polled named an average of 2.6 problems to be resolved (2011: 3.7 problems). This puts the Germans above even the Greeks, who name an average of 2.4 challenges. In Europe, the average is down to 2.0 problems, which is considerably lower than last year (2011: 2.4). Sweden continues to lead the pack at quite some distance as the nation which worries the least, with an average of 1.1 challenges named.

Unemployment remains the top concern – but with a lower value than when the survey began

Only a third of Germans are still worrying about the state of the employment market. Compared to the previous year, this is a drop of 21 percentage points. No lower value has been recorded since the cross-German survey began in 1990. This reflects the consistently good development of the employment market in Germany. "Germany is the only country in Europe that even managed to decrease unemployment during the recession. According to predictions from the Economic Research

Institute, this will continue in 2012," explains Professor Raimund Wildner, Managing Director of the GfK Verein.

In contrast to this, concerns about the economic development have increased significantly. In 2011, they were in tenth position with 14%, but now they have climbed to third place with 24%. Higher figures for this were only recorded in the crisis-hit years 2009 and 2010. As part of the worsening recession in the eurozone, Germans view the heavy dependence of German industry on exports as a danger to their personal economic situation as well.

Challenges in Germany 1990 - 2012								
% of those surveyed who regard these issues as the most urgent one to be resolved in Germany (open-ended answers; expressed in %, rounded up; multiple answers possible)								
	1990	1994	1998	2002	2006	2010	2011	2012
Unemployment	36	66	86	74	80	66	55	34
Price/purchasing power	7	7	4	14	11	24	33	26
Economic stability	7	13	5	11	8	26	14	24
Politics/government	2	4	3	6	6	10	12	13
Pensions/retirement provisions	6	9	14	12	18	19	17	13
Environmental protection	29	15	5	5	5	10	14	12
Education policy	1	1	3	5	9	14	23	12
Poverty	-	-	-	-	2	5	6	12
Social security	5	6	9	8	10	17	25	11
Health Services	-	4	6	5	15	21	19	11

Source: Challenges of Europe 2012, GfK Verein

Inflation still a real danger for Germans

Although Germans are worrying less about the development of prices and purchasing power than last year, the subject remains in second position in the list of concerns. One in four Germans feels that price stability is in danger; a year ago this was a third. Energy prices which are high and continue to increase are a cause for concern for many people in Germany. The Germans also view the range of rescue packages as presenting an increasing danger to the stability of the currency. To date, this fear has not been backed up with official figures about the cost of living. According to figures from the Federal Statistics Office, inflation dropped by 1.9% in May after increasing 2.1% in April.

Germans are focusing less on socio-political topics

Germans' reservations about social security have dropped noticeably this year. While 25% viewed these with concern in 2011, it is now just 11%, meaning that the subject drops from third place to ninth. A similar trend can be seen for the healthcare system (2012: 11%; 2011: 19%), which fell from fifth to tenth. Retirement also dropped from 17% of survey participants being concerned last year to 13% this year.

In 2012, poverty made the leap into the top ten concerns for the first time in 2012 and is now in eighth place. Twelve percent of Germans are now concerned about it, which is twice as many as in the previous year. "The increasing proportion of precarious employment situations and emerging poverty among elderly people is clearly giving German people pause for thought," claims Raimund Wildner.

In contrast to this, Germans are worrying significantly less about educational policy than last year. The proportion of people who are concerned about this has almost halved, from 23% in 2011 to 12% now, meaning that this subject drops from fourth place to seventh place.

Concerns about inflation polarize East and West

In a comparison between the old and new federal states, there are still significant differences. Although the top 3 topics are identical, their order is not, nor is the extent of citizens' concerns. In both East and West, unemployment is top of the list, but the differences are stark. While only just under a third of Germans in the old states are worried about the employment market, in the East this is currently around 45%. The differences are even greater on the subject of inflation – the development of prices and purchasing power are causing concern in the East at 39% (second position), but 24% (third place) in the old states. The differences between the East and the West are smallest when we look at concerns about economic stability, when the West with 25% worries more than the new states with 18%.

The employment market is still the top subject in Europe

The study was also repeated in ten other European countries alongside Germany. As a result of the current situation in Europe, Greece was added to the survey this year (you can find the results on page 6). Unemployment took the top spot again, as it did last year, with 38%, but with a slight decrease of one percentage point. In 9 out of 12 of the countries polled, this was the top issue. It is also striking that seven countries registered an increase on the previous year, and only in Germany and Sweden were the values lower.

The subject of unemployment was by far the most represented in Spain at 79%, followed by France at 63%. Spain is currently battling unemployment

which is spiraling upwards: currently almost one in four Spaniards are unemployed. In the Netherlands, however, this topic plays a much less significant role at just 11%.

Concerns about inflation in Europe somewhat diminished

Concerns about the increase in prices have also reduced this year. Twenty-two percent of those polled in Europe (4 percentage points less than last year) currently see the price and purchasing power development as a source of concern, putting it in second place. Inflation is making the French the most concerned, with 38% stating that they are worried, representing an increase of 7 percentage points on the previous year. The increase in VAT may have contributed to the unease felt. In contrast to this, concerns about inflation in Sweden and Spain at 1% and 2% respectively have almost no significance.

Challenges in Europe 2102												
	Total	germany	Belgium	France	UK	Italy	NL	Poland	Austria	Russia	Sweden	Spain
% of those surveyed who regard these issues as the most urgent one to be resolved the resp. country: (open-ended answers; expressed in %, rounded up; multiple answers possible)												
Unemployment	38	34	21	63	29	50	11	49	22	16	29	79
Price/purchasing power	22	26	22	34	7	18	7	26	14	30	1	2
Economic stability	16	24	17	12	22	30	17	5	15	4	8	29
Pensions/retirement provisionsg	10	13	13	8	3	7	3	19	17	14	4	2
Health service	10	11	4	5	13	7	14	24	5	10	5	4
Housing problems/rents	9	1	4	19	7	0	3	2	2	19	2	2
Politics/Government	8	13	18	7	9	10	9	13	16	4	1	5
Education policy	7	12	3	9	7	3	7	4	10	9	5	3
Criminality	7	7	6	10	12	12	12	1	5	3	1	2
Youth-Unemployment	5	4	1	6	5	11	0	9	6	4	14	2

Source: Challenges of Europe 2012, GfK Verein

Major concerns about economic development in Italy and Spain

The weak economic development in many areas of Europe is worrying Europeans more and more. Sixteen percent stated that they were worried about economic stability in their country, while last year, it was "just" 12%.

This makes it the only topic in the top ten which showed an increase on the previous year: it climbed from fifth to third in the list of concerns.

In Italy and Spain, concerns about the economy are most pronounced. Thirty percent of Italians (2011: 22%) and 29% of Spaniards (2011: 30%) are currently very concerned that the strict austerity measures in their countries are leading to a severe recession. In fact, in its forecast from April of this year, the International Monetary Fund predicted that the GDP of each country would drop by just under 2%.

Concerns about economic development are currently lowest in Russia and Poland, where just 4% and 5% respectively were concerned about the economy.

Concerns about political development have lost some significance in Europe

Concerns about political stability have lost some significance. Only 8% of respondents are currently concerned about this in Europe, dropping the subject into seventh place in 2012 after having still been in the top three last year. The decrease of four percentage points is primarily due to the special circumstances in Belgium and Italy. On the one hand, after a long period of deadlock, Belgium was finally able to form a government again at the end of 2011, which resulted in the number of respondents registering concerns falling from 57% to 18% in the course of the year. However, this is still the highest value in Europe.

On the other hand, the resignation of Silvio Berlusconi and the subsequent takeover of government control by Mario Monti in November 2011 also reduced concerns about the political situation in this country to almost nothing. The proportion decreased from 33% in 2011 to 10% this year.

A look at Greece

Greece was additionally included in the survey this year due to the current situation in Europe. As the results could not be compared to previous years, Greece was not included in the overall calculations for Europe.

With an average of 2.4 problems named per person, Greece is the third most concerned nation in Europe after Germany and France. Taking into consideration the budget and sovereign debt crisis in the country affecting the economy, politics and society, this moderate result is somewhat surprising.

Challenges 2012 in Greece	
% of those surveyed who regard these issues as the most urgent one to be resolved in Greece (open-ended answers; expressed in %, rounded up; multiple answers possible)	
Unemployments	33
Politics/Government	26
Economic stability	24
Health service	16
Abolish Nickel-and-dime job	14
Corruption	14
Pensions/retirement provisions	13
Price/purchasing power development	12
Education policy	11
Youth Unemployment	9

Source: Challenges of Europe 2012, GfK Verein

At 33%, the study has shown that the most significant concern among Greeks is also unemployment. The decreasing significance of the subject of politics and government in Europe does not apply to Greece: 26% of Greeks are concerned about political stability in their country. Discussions about the tough austerity measures that have been imposed in Greece are threatening to rip the country apart politically. The parliamentary elections recently carried out did not factor into the results of this survey, as it had already been completed by this point. The consequences of the elections, such as the unsuccessful attempt to form a government and the announcement of new elections in mid-June, are likely to increase concerns about future political developments.

The economic situation in Greece is also viewed negatively. The GDP is likely to drop more than 4%. As a result, it is unsurprising that just under a quarter of all Greek respondents named concerns about economic stability.

About the study

These findings are an extract from the GfK "Challenges of Europe 2012" study and are based on around 13,300 consumer interviews which were carried out on behalf of the GfK Verein in February 2012 in Germany, Italy, France, Poland, Austria, the UK, Belgium, Russia, Spain, the Netherlands, Sweden and also Greece.

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 allowed.



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

Responsible according to press laws:
GfK Verein, press
Sandra Lades
Nordwestring 101
90419 Nürnberg
Tel. +49 911 395-3606
sandra.lades@gfk-verein.org