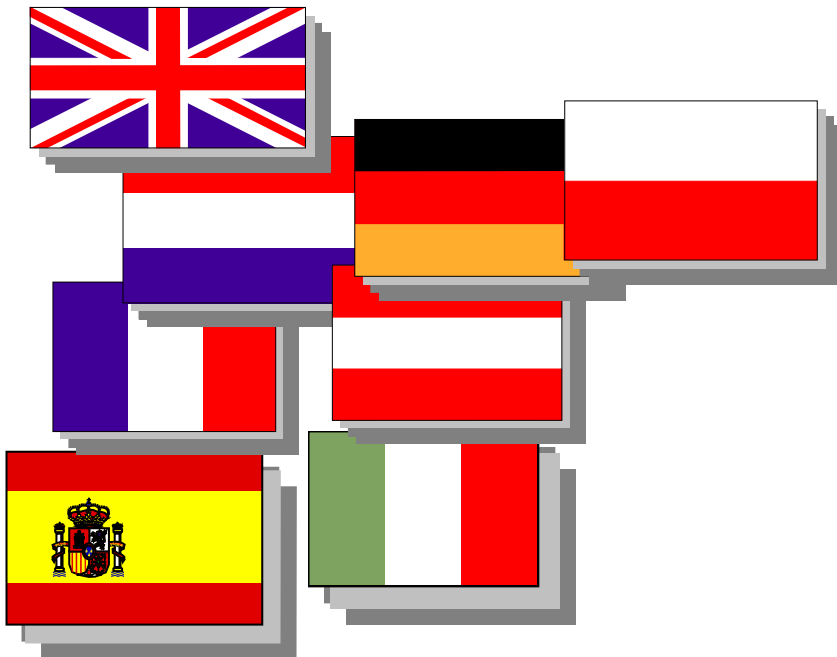


Challenges of Europe 2003



by
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Challenges of Europe 2003

by Claudia Gaspar and Birgit Müller, GfK Marktforschung

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1. Introduction

A further barrier to a united Europe has been removed - the majority of people in the European Union have for the past eighteen months or so been united by a common currency. Other common factors in social concerns and challenges facing individual countries are revealed in this report: "Challenges of Europe".

The study has been carried out in Germany for over 20 years and this is now the third year in which it has been extended to cover seven other European countries - UK, Netherlands, Austria, France, Spain, Italy and Poland.

In Germany the long tradition of this survey, which used to be called "The Cares of the Nation", allows comparisons to be drawn over decades of the problems perceived subjectively by the population and the issues they see as important. By extending the study into the "Challenges of Europe" it is now possible to record social and political trends on a European level.

The survey is based on a simple open question put to the citizens of the countries in the study:

"What do you regard as the most urgent problems to be solved today in ... (the country in question) ...?"

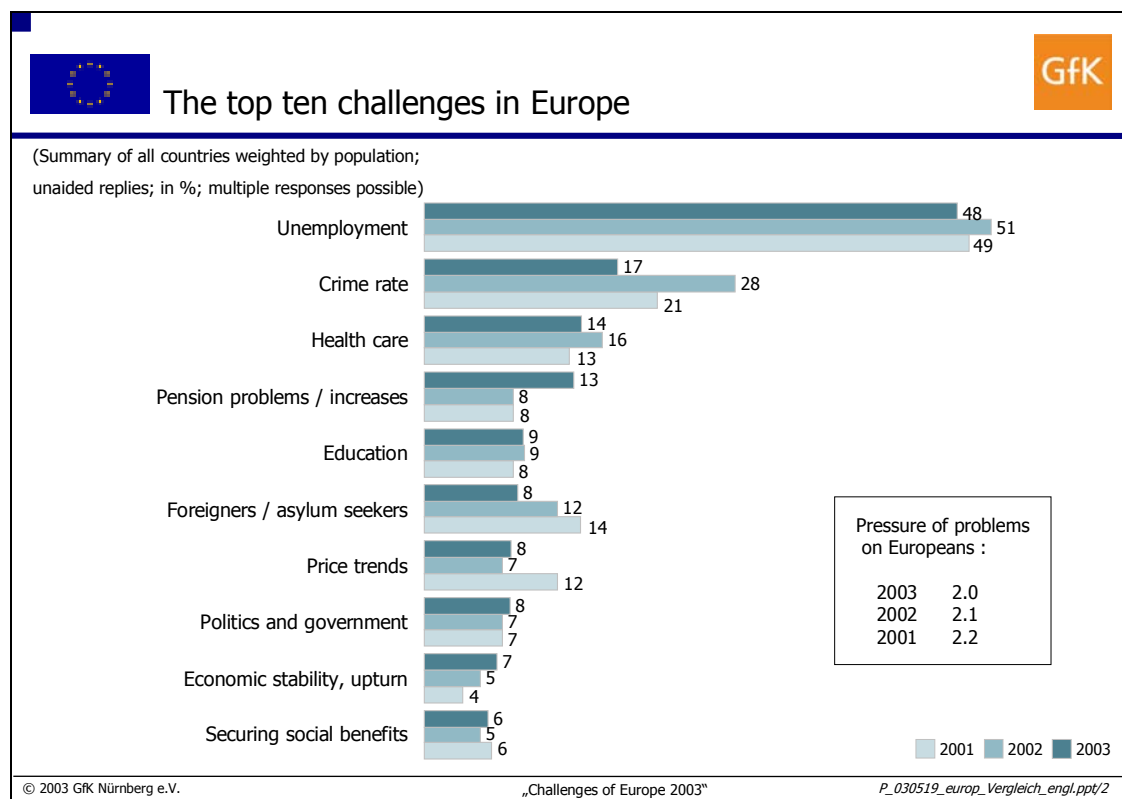
Responses to this question cover a wide range of topics, as respondents are given no supporting or restricting instructions as to possible replies. For years now, the collection and evaluation of the results have been placed in categories which are kept as constant as possible.

This makes it clearly apparent how the importance of individual topics changes in society in the course of time - both in Germany and in the other countries in the survey. In this connection we would like to extend our warmest thanks to our colleagues in partner institutes in the countries involved who carried out research for us and provided us not only with the figures for the survey, but also with important information about current events in their countries.

2. The challenges of Europe

Representative of Europe as a whole, the survey covered a total of over 9,000 men and women in Germany, UK, Netherlands, Austria, France, Spain, Italy and Poland. These countries have a total population of 360 million. In order to obtain a pan-European view of the main concerns the results for the individual countries were summarized, weighted by population. This made it possible to arrive at responses from fictitious "average Europeans" which are considered below. The differences between the nations are described from page 5 onwards.

A comparison of the past three years shows a fall in European concerns which is expressed as a falling pressure of problems. Analysis shows that the number of concerns per person has been falling slowly but steadily. In 2001 every European was concerned with an average of 2.2 problems, in 2002 this was 2.1 and in 2003 the level was 2.0. This relaxation is currently most apparent in falling values for the most pressing concerns.



Once again, the unemployment problem heads the list of European concerns, but a slight fall is apparent in comparison with the previous year. At the moment almost half, 48% of Europeans,

are worried about the lack of jobs. Last year 51% expressed criticism of the situation on the job market.

The demand for greater efforts in the fight against crime has lost much of its urgency. Many respondents obviously consider that the state has reacted appropriately. 17% of respondents consider the fight against crime to be an urgent issue to be faced this year. This represents a decline of more than one-third since last year. The position of this concern remains the same, however, as in previous years, it occupies second place.

In third place - as in the past - comes criticism of the health care system, and here too there is a falling trend. This concern accounts for 14% of responses this year, while in 2002 it accounted for 16%.

The problem of pensions showed a big jump in importance this year. Provision for their old age is currently a concern for 13% of Europeans, in previous years the figure was only 8%.

The topic of education policy is unchanged in comparison with last year. At 9%, the problem remains fifth among the top ten challenges facing Europeans.

Three further problem areas are currently regarded as basic by 8% of Europeans. These are the question of foreigners and asylum-seekers, price trends and the theme of politics and the government.

The question of foreigners and asylum-seekers shows a positive trend. The numbers of those for whom it is a concern is falling steadily, from 14% in 2001 to 12% last year and 8% this year.

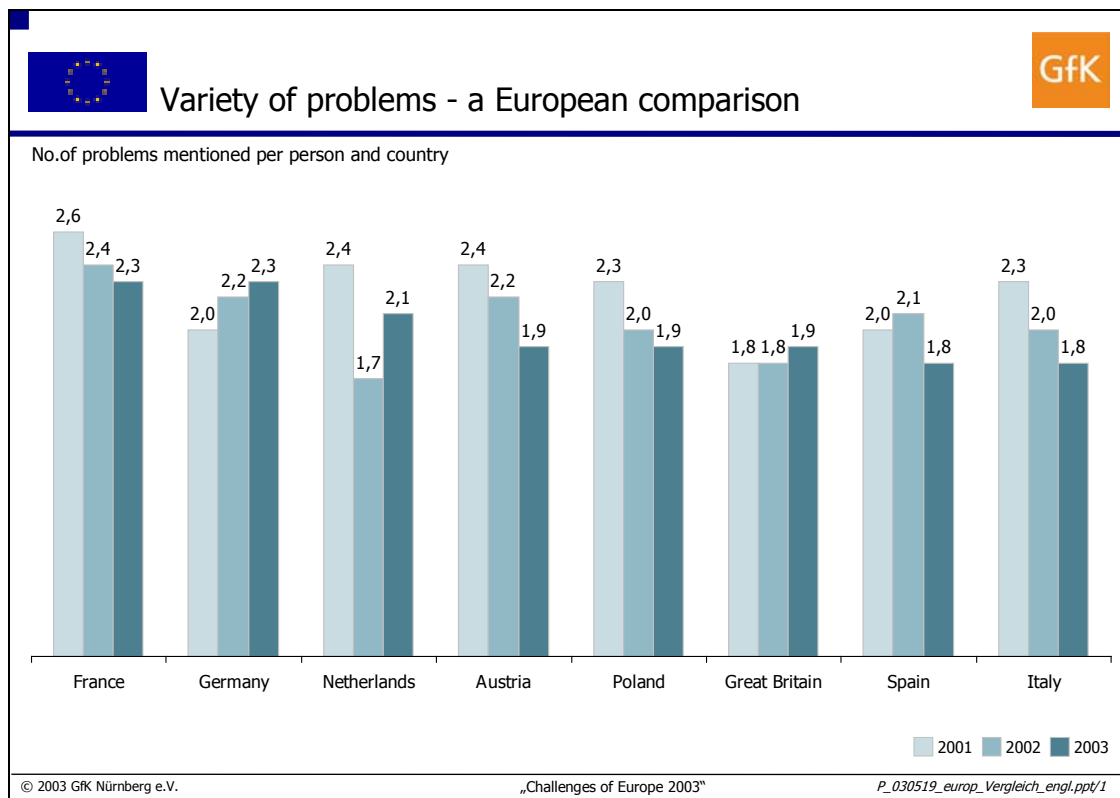
Concern about price trends is currently stable, i.e. it has risen from 7% to 8% since last year. In the previous year a sharp fall of 5 percentage points was recorded.

The theme of politics and the government also shows a stable trend. In comparison with previous years there was a very small rise of one percentage point.

Concern with economic stability and too modest a recovery has crowded the destruction of the environment out of the European top ten. The economic situation is currently a matter of concern for 7% of Europeans, there has been a steady rise since 2001.

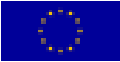
In tenth place among the top ten challenges facing Europe as a whole comes the topic of securing social benefits. 6% of respondents currently see this as a basic issue. The rise by one percentage point over 2002 brings this concern back to its 2001 level.

The level of pressure exerted by these problems varies from country to country. France and Germany currently share the position of the "most critical" nations. In France, however, concern is falling steadily whereas Germany is the only country in the survey to show a steady rise in the level of concern. The UK and the Netherlands also show an increase in concern on the previous year. There is a falling trend in Austria, Poland, Spain and Italy.




It is not only the level of concern which varies from country to country, there are also differences in the contents of the social and political challenges.

In Poland and in Germany in particular, the situation on the job market is a prime concern among their citizens. In Spain and France this is a concern for about half the population. In Italy almost 40% the population and in Austria almost one-third find the employment situation worrying. In the UK and the Netherlands very few people are concerned about a lack of jobs¹.



The challenges of Europe - a comparison



(unaided replies; in %; rounded; multiple responses possible)

	Total	Germany	Great Britain	Netherlands	Austria	France	Spain	Italy	Poland
Unemployment	48	75	6	2	29	49	53	39	81
Crime rate	17	10	26	23	2	23	15	21	10
Health care	14	15	25	27	6	6	5	18	13
Pensions problem / increase	13	18	3	3	52	36	3	7	5
Education	9	4	24	10	5	10	3	9	2
Foreigners / asylum-seekers	8	7	20	11	5	4	6	11	0
Price trends	8	10	4	5	4	13	4	10	6
Politics / government	8	7	5	14	13	5	7	10	11
Economic stability / upturn	7	16	1	7	4	4	4	4	8
Securing social benefits	6	12	5	9	7	7	0	3	4

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The topic of crime is of considerable concern to the British, the Dutch, French and Italians. The fight against crime is a major task in the eyes of between one quarter and one third of the citizens of these countries. In France, in particular, the situation has become much more relaxed, however. Last year - possibly as a result of a strong focus on crime in the election campaign - two-thirds of the French expressed concern. The problem is of rather less importance in Poland and Germany, with values of 10%, and in Austria it is barely a concern at all.

¹ See the chart on page 10 for a comparison of unemployment statistics in the individual countries

Europeans are also divided in their attitude to health care. With 27% of responses, the Dutch take first place as critics of their health care system, followed closely by the UK with 25%. Italy, Germany and Poland also reached double figures between 13 and 18%, while the Austrians, Spaniards and French appear satisfied with health care provision in their countries.

There are also differences in attitudes to pensions policies. The Austrians lead the field here - in a negative sense. The pensions reform which came into force in mid-June 2003 was the subject of heated debate and massive protests in the form of strikes and demonstrations against planned cuts and an increase in pensionable age². France too plans incisive changes in pensions and this is reflected in a high level of concern of 36%. The Germans show a rate of 18%, this is explained in Chapter 3.1. In the other countries values were around 3% and 7%, provision for old age does not appear to be a pressing problem here.

Education is a decisive factor in international competition, which explains why education policies occupy an important position among the top ten challenges within Europe. Its priority varies from country to country, however, with the UK, where almost a quarter of respondents expressed concern, showing the greatest interest. The "middle range" with 9 to 10% is made up of the Netherlands, France and Italy, while in Austria, Germany, Spain and Poland only 2 to 5% of respondents are worried about educational standards in their country.

Europe is also divided on the question of foreigners and asylum-seekers. UK citizens react particularly sensitively. One-fifth of the population here is concerned, although with a share of 3.9% the proportion of foreigners in the population is low in comparison with other European countries³. Asylum-seekers are probably regarded critically because their numbers have increased in recent years and they are supported by the state⁴. In the Netherlands and Italy this problem accounts for 11% of responses. Between 4% and 7% see a need for action in Germany, Spain, Austria and France, while in Poland other problems are obviously more pressing at the moment.

² cf. Radio Österreich International, www.roi.orf.at

³ See chart on page 10 for a comparison of the number of foreigners per country

⁴ The number of asylum-seekers in the UK has more than doubled between 1996 and 1999; cf. Statistisches Jahrbuch 2002 für das Ausland (Statistical Yearbook 2002 for countries outside Germany)

With 13%, the citizens of France lead Europe in their concern at price trends, closely followed by Germany and Spain with 10%. In view of the inflation rate in Spain this relatively high figure is understandable, the high rates of concern in France and Germany are more surprising⁵ - in comparison with relatively low rates of inflation. But respondents' perception depends of course not only on actual figures but also on the differing mentalities among consumers in Europe. Inflation appear to be less of an issue in the other countries, with only 4 to 6% of citizens expressing concern.

The subject of politics/government is obviously not a major concern in the UK and France at the moment. 5% of responses in these two countries are concerned with this problem. In Germany and Spain 7% are concerned, in Italy 10% expressed misgivings about the political leadership, in Poland 11%. The ranks of the dissatisfied are headed by the Netherlands with 14% and Austria with 13%. The four countries with double-digits results have seen heated discussions recently about top government circles. In the Netherlands the popular right-wing party "Pim Fortuyn List" caused a political crisis while Austria is obviously still suffering from the tension surrounding the FPÖ party.

Germany heads the field as far as concern about economic stability and too modest a recovery is concerned. At 16%, concern is far higher here than elsewhere in Europe. In Poland 8% of respondents mention this issue and in the Netherlands 7%. In Austria, France, Spain and Italy 4% are worried about the weak economy. The subject plays virtually no part in the UK, with 1% of responses - of all the countries in the survey economic growth is strongest in the UK⁶.

The Germans (12%) and Dutch (9%) see the security of social benefits as particularly at risk. Like most Western nations, these two countries face major social upheaval resulting from an ageing society. Part of the solution to the problems this will cause is to reduce social benefits. In Austria and France 7% of respondents are concerned about the maintenance of the social services. In the UK, Poland and Italy it is a concern to 3 to 5% of citizens. The citizens of Spain obviously have other worries at the moment.

⁵ See chart on page 10 for a comparison of inflation rates

⁶ See chart on page 10 for a comparison of economic growth rates

The varying levels of importance attached to individual problems in individual countries can be based on very real concerns as well as psychological, social and cultural factors. The table below provides statistics on unemployment⁷, the proportion of foreigners, the inflation rate and economic growth. Not all problems mentioned by respondents have an immediately apparent connection with reality. But it is certainly true that not only the current situation plays a major role, but historical developments as well. In Germany, for example, low economic growth causes greater concern than in other countries with similarly low growth rates. The Germans have probably become accustomed to a flourishing economy and feel the downturn more keenly. But if we look at the unemployment figures for Poland we can understand that the situation is of major concern to the population.

Country	Standardized Unemployment (ILO) in %	Foreigners in %	Inflation rate 2002 in %	Economic growth 2002 in %
Germany	8,2	8,9	1,4	0,2
UK	5,1	3,9	1,6	0,6
Netherlands	2,7	4,1	3,4	0,1
Austria	4,3	9,1	1,8	0,3
France	8,7	5,6	1,9	0,4
Spain	11,4	2,0	3,1	0,5
Italy	9,0	2,2	2,5	0,2
Poland	19,9*	2,0	1,9	-
Source:	standardized unemployment 2002: OECD * comp. Unemployment for Poland 2002: Eurostat	Statistik Austria, 2000, Spiegel Länderlexikon, 2002, www.spiegel.de	OECD Consumer Prices, June 2003, own calculations	OECD Gross Domestic Product, June 2003, own calculations

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⁷ For reasons of uniformity the German unemployment figure is shown using the standardized ILO concept. In Chapter 3 of this report the national definition normally used by the Federal Labour Office is used. According to the ILO definition the jobless figure includes persons over 15 without work; those available to take up employment within the next two weeks; those who have been actively seeking work for the last 4 weeks. (Definition: Eurostat)


3. Special features of individual countries

The previous chapter looked at the ten main challenges based on the European average. We now turn to the special concerns of individual countries, based on a comparison over time of the 15 most pressing problems in that country.

3.1 Germany

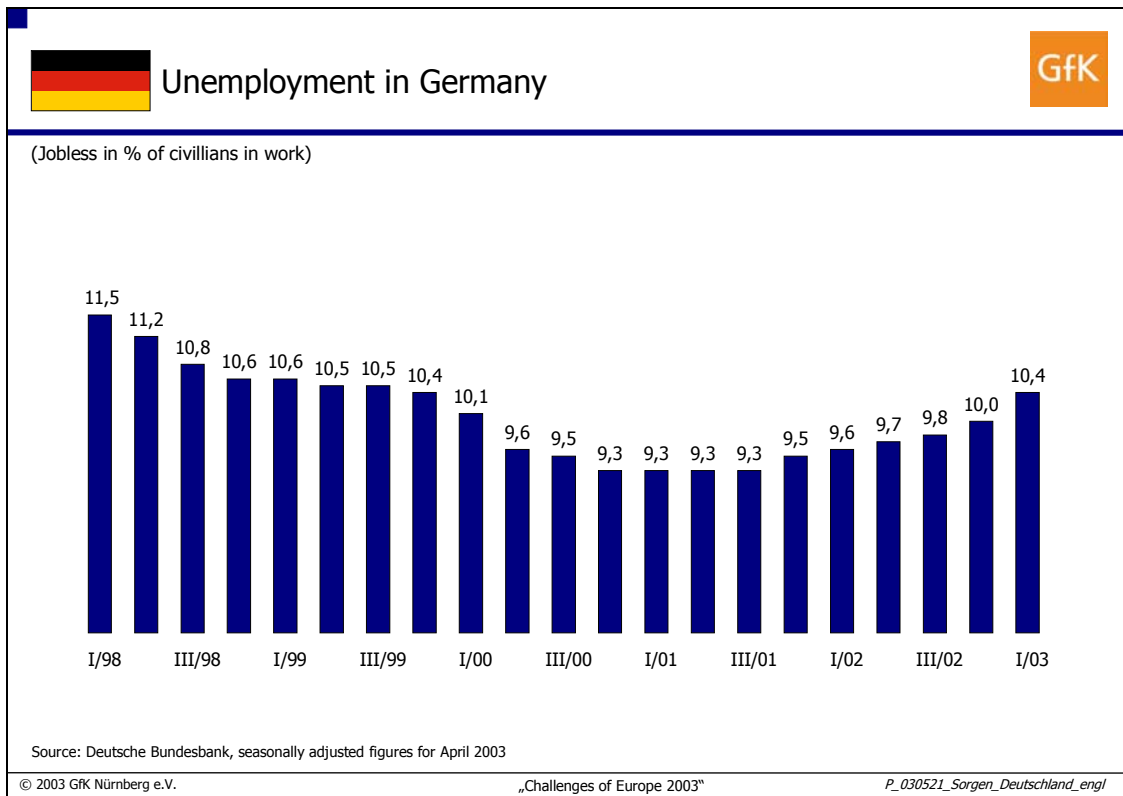
If we look at the results of the survey in Germany, the topic of unemployment seems permanently fixed in first place among the Germans' concerns. It has been a burning issue in Germany for the past 10 years. The steady fall in unemployment between 1999 and 2001 raised hopes of an improvement, but 2002 brought an increase of 15 percentage points to 74% - no trace of any relaxation. This high level was actually slightly exceeded in 2003, with the figure rising by one percentage point to 75%.

The main issue is the labour market in general. Concern with the special problem of unemployment among young people is dropping slightly at the moment. At its current level of 6% concern is now well below its peak of 11% in 1998 and 1999.

		Challenges in Germany 1990-2003												
... % of respondents mentioned as the most urgent problem to be solved in Germany: (unaided replies; in %; rounded; multiple responses possible)														
Unaided reply	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Unemployment	36	39	39	62	66	61	81	79	86	71	66	59	74	75
Pensions problem / increase	6	4	3	10	9	10	17	15	14	10	17	15	12	18
Economic stability / upturn	7	10	9	14	13	7	7	7	5	4	4	4	11	16
Health care	-	2	4	10	4	2	3	4	6	2	6	5	5	15
Securing social benefits	5	4	4	11	6	8	9	8	9	7	7	7	8	12
Crime rate	1	2	7	9	18	19	13	9	19	9	10	10	17	10
Price trends	7	13	8	9	7	7	4	5	4	2	5	15	14	10
Consolidation of state finances	3	7	7	8	5	6	7	9	10	8	3	5	3	8
Politics / government	2	1	3	3	4	1	2	3	3	2	4	3	6	7
Foreigners	4	7	13	14	15	11	10	9	6	4	4	10	11	6
Taxes not raised	2	4	3	3	3	4	5	7	4	4	7	5	7	6
Youth unemployment	-	1	1	2	2	4	4	7	11	11	10	7	7	6
Stable peace	5	2	2	2	4	4	2	1	0	5	1	1	2	6
Education	1	1	1	1	1	1	1	1	3	3	3	4	5	4
Environment	29	23	16	15	15	23	13	6	5	4	6	11	5	4
Asylum-seekers	2	31	55	17	9	9	8	6	6	7	7	3	2	1
Right-wing extremism	0	1	4	6	7	2	0	0	2	0	1	6	2	0
Basis:	3986	2898	3031	2992	2141	2455	2427	2521	2486	2492	2451	2452	2022	1959

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If we look at official statistics we can understand the high level of concern among the population. The unemployment rate for Germany as a whole was 10.4% in the first quarter of 2003, almost one percentage point above that of the previous year. In the past, too, concern about job security has correlated with the official unemployment figures. This was the case in 1998, when the subject reached its highest figure in the survey and official unemployment figures reached a record high. From 1999 onwards the numbers of jobless fell, and concern in the population lessened. Since the beginning of 2002 the rising numbers of jobless has again been reflected in the "cares of the nation".



Beside the Germans' most urgent concern - job creation and job security - all other problems facing the country seem to be of marginal importance. The gap between this dominant challenge and other problems has existed for 10 years. There is however a decisive difference this year - some of the "old favourites" have reached record peaks.

In first place here we have the already pressing problem of pensions/ pension increase which shows a 50 percent rise over last year. The wish for economic stability and an upturn in the economy has also grown, it has in fact increased fourfold in the last two years. Responses concerning the health care system have grown explosively and there has also been high growth in concern about the security of social benefits. As a result, these subjects now occupy 2nd to 5th place in the top ten. Further down the scale, but also at record levels, are the subjects of politics/government and the wish for stable peace. But let us look first at the concerns at the top of the list.

With 18%, the pensions problem/ pension increase takes second place in the list of German cares. In the past two years concern with the subject of provision for old age showed a fall, probably as a result of the introduction of state subsidies for private pension insurance. The current rise in concern could be connected with the much-discussed "Agenda 2010"⁸, in which the government plans to raise retirement age to 67 in 2010 in the interests of stable pensions.

⁸ cf. www.bundesregierung.de

This has given rise to new fears that retirement provision might not be secure in spite of the subsidized "Riester pension".

16% of Germans are currently worried about economic stability and the lack of an economic upturn. There has been an increase of 5 points here since last year. The figure has actually grown fourfold since 2001. A similar level of concern was last seen in the recession year 1993. Here again the continued economic slump may be assumed to be responsible for the mood of pessimism - the OECD has forecast economic growth of just 0.3% for Germany in 2003⁹.

The health care system has also received a lot of publicity. For the first time in 10 years responses were in double figures again. In 1993 the introduction of a nursing care insurance probably triggered the rise to 10%. After minor ups and downs responses settled at a level of 5% since 2000. This year they jumped sharply to 15%, a threefold increase. The reason behind the rise is probably the discussion about further cuts in health care provision resulting from the financial crisis in which the state health insurance funds find themselves coupled with steadily increasing health care contributions.

In addition to pensions and the health care system, 12% of Germans currently see the security of social benefits in general as at risk. This has meant an increase of 4 points or 50% in comparison with last year and a rise to fifth place in the list of worries. The problem probably became acute this year as a result of discussion of cuts in social benefits such as a reduction in social security payments and the time for which unemployment benefit is paid. The planned merging of unemployment and social security payments¹⁰ has also caused much public concern.

Demands for greater efforts in the fight against crime have slackened, however. While economic topics have been gaining significance, this area is attracting less concern at 10%. After an increase of 10 points last year it has again fallen back to its level in 2000.

Worries about price stability are less acute at the moment, although at 10% the figure is high in comparison with other European countries. In previous years, however, it was a concern for 15 or 14% of Germans. This drop is probably attributable mainly to the fall in the inflation rate from year to year, at present it is at a level of only about 1%¹¹. People have also become accustomed to factors which caused concern in previous years, i.e. petrol prices and the introduction of the Euro.

With 8% of responses, the demand for a consolidation of the country's finances takes eighth place among the challenges to which Germans feel the state and politicians should turn their

⁹ cf. Der Spiegel, www.spiegel.de

¹⁰ cf. Weekly report 19/2003 from DIW, Berlin

¹¹ cf. for 2003: Dresdner Bank, Economic Monitor, 24.04.2003
cf. OECD Consumer prices, June 2003 and our own calculations: inflation rate 2002: 1.4%;
2001: 2.0%

attention. The ranking has not changed markedly - last year this concern came in tenth place. With an increase of five points, however, it is at its highest level since 1999, and there is good reason for this. Germany's excessive level of debt¹² is increasingly becoming a source of conflict with Brussels and the European Currency Union. Even last year the budget deficit exceeded the "magic" limit of 3% set in the stability pact and the OECD expects an increase of 3.6 to 3.7%¹³ of gross domestic product for 2003.

In addition to social and economic concerns the Germans obviously regard politics with a critical eye. 7% of them view politics and the government with scepticism. This is only 1% more than last year, but twice to three times as many as in the years before that. This could mark a trend towards increasing disillusionment with politics, and not just a special effect caused by the elections in 2002 - as was believed last year.

A solution to the foreigners' question, further tax cuts and a stable peace are each important concerns to 6% of Germans. Ratings for these topics have varied considerably over the course of time.

The first two of these problems show an improvement. For the first time in two years the foreigners' question shows a fall - it has dropped by 5 points. The question of tax policies also shows a fall - although a very small one. The increases in tax and oftakes which came into effect at the beginning of 2003 have obviously left no lasting impression, probably because they were crowded out shortly afterwards by other events, such as the war in Iraq.

This is probably the reason why there is a greater focus on the wish for stable peace, which is at its highest level since 1990. 6% of responses this year are concerned with world peace, and the tense situation in the Near East has certainly played a decisive role here. The subject of terrorism in their own country is a matter of concern to only 1% of Germans, however.

4% of German citizens would like to see a better education policy, this is 1% less than last year. Even the publication of the results of the "PISA 2000" study, which gave rise to discussion and a number of reforms in education, was not accompanied by a marked increase in concern. The subject now seems to have become even less important.

Concern for the destruction of the environment is also at a low level at the moment. This area has always been subject to strong swings. After reaching double-digit results up to the mid-Nineties it settled at a level of around 5% from 1997 onwards. Only in 2001 did environmental concern flare up again briefly. At present nature conservation is a concern to only 4% of Germans.

Germans currently show very little concern about the problem of asylum-seekers and right-wing extremism. Only 1% of respondents still see a problem with asylum-seekers, which is not

¹² cf. Financial Times Deutschland, 12.05.03



¹³ cf. Der Spiegel, www.spiegel.de

surprising at the moment in view of the drop in their numbers¹⁴. It is probable that the subject of right-wing radicals is heavily influenced by incidents which monopolise the headlines. This problem was often of low concern in the past and then - as a result of current events such as football hooliganism or politically motivated attacks - quickly came to the forefront again.

¹⁴ Acc. to the Statistical Yearbook for 2002 the number of asylum-seekers in 1993 was almost 10 times higher than in 2000 (1993: 323,000.; 2000: 36,000).

Even today, almost 15 years after German reunification, certain problems are perceived very differently by East and West Germans.

This is true in particular of the unemployment problem, which is a concern to 82% of East Germans and "only" 73% in the West. The actual situation is reflected here: if we look at the unemployment rate for the East and the West for the last two years we see that the average value in the East was 10 percentage points higher than in the West (e.g. March 2003: East 18.6%, West 8.5%)¹⁵.

 Challenges in Germany Eastern Germany 1990-2003														
... % of respondents mentioned as the most urgent problem to be solved in Germany: (unaided replies; in %; rounded; multiple responses possible)														
Unaided reply	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Unemployment	55	75	73	80	78	74	86	85	92	78	76	79	87	82
Securing social benefits	15	12	11	16	12	13	15	14	11	9	8	9	13	16
Price trends	17	6	2	2	6	2	4	4	6	3	5	20	14	14
Economic stability / upturn	33	29	27	21	11	12	10	8	7	4	3	4	12	14
Pensions problem / increase	6	6	3	4	5	6	8	7	7	7	8	11	6	13
Crime rate	2	3	16	13	24	25	19	13	26	9	16	13	16	11
Politics / government	6	3	4	5	2	0	2	3	4	1	4	2	7	11
Health care	-	1	1	0	1	1	1	2	5	2	4	5	5	10
Youth unemployment	-	2	2	5	5	7	9	13	16	16	16	13	12	8
Consolidation of state finances	1	1	1	2	1	1	3	3	6	6	1	3	2	6
Stable peace	1	1	1	2	6	4	2	1	0	6	1	2	2	5
Foreigners	1	3	12	12	7	5	7	4	4	2	2	9	7	4
Education	3	2	1	1	1	1	0	0	2	3	2	3	4	3
Taxes not raised / cut	0	1	1	1	1	2	3	4	2	3	3	4	4	2
Environment	16	9	6	6	6	11	6	4	3	1	2	7	4	0
Right-wing extremism	0	2	4	8	6	1	0	-	3	0	2	5	2	0
Asylum-seekers	0	9	37	6	3	2	4	1	1	6	6	3	0	0
Basis:	1949	956	1003	995	433	510	495	519	511	513	505	500	415	402

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Concern with the security of social benefits must also be seen in the context of the unemployment situation. Greater importance has always been attached to this point in the East than in the West. This year too the value for East Germany (16%) was well above that for the West (11%).

Dissatisfaction with the area politics and government in general is also correspondingly higher. With 11% of responses, citizens in East Germany clearly see a greater need for action than those in the West, this is certainly linked to the need for new job creation.

¹⁵ Source: German Federal Bank, Statistical supplement 4, April 2003


In the West, on the other hand, the question of pensions problem/increases is much more of an issue. 19% of responses are concerned with this area, as opposed to 13% in the East. An increase is apparent in both parts of the country, however.

The West Germans also view the health care system more critically. 16% of them mention it as a concern, in contrast to only 10% in the East. Current debates appear to have a distinctly greater impact here.



Challenges in Germany

Western Germany 1990-2003



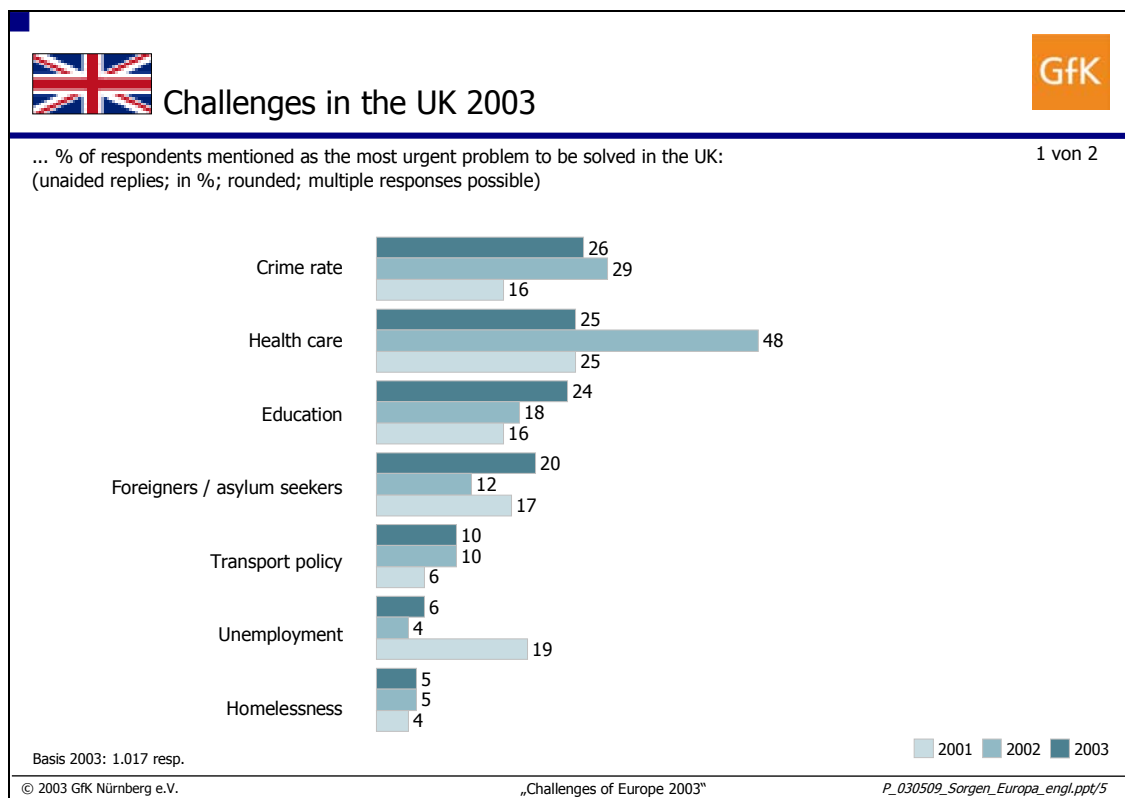
... % of respondents mentioned as the most urgent problem to be solved in Germany:
(unaided replies; in %; rounded; multiple responses possible)

Unaided reply	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Unemployment	31	30	31	58	63	58	80	77	84	69	64	55	71	73
Pensions problem / increase	6	3	3	11	10	11	19	17	16	11	19	16	13	19
Economic stability / upturn	-	5	5	12	13	6	6	7	5	4	4	4	11	16
Health care	-	2	5	12	5	2	3	5	6	2	6	5	5	16
Securing social benefits	2	2	2	10	5	7	8	6	9	6	6	7	7	11
Crime rate	1	2	5	8	16	18	11	8	17	9	8	9	17	9
Price trends	5	15	10	11	7	8	4	5	4	2	5	14	12	9
Consolidation of state finances	3	8	8	10	6	7	8	10	11	9	3	5	4	8
Taxes not raised / cut	2	5	3	4	3	4	5	8	5	4	8	6	7	7
Foreigners	5	8	13	15	17	12	11	10	7	4	4	10	13	6
Politics / government	1	1	3	3	4	1	1	3	3	2	4	3	6	6
Stable peace	6	2	2	2	4	4	2	1	0	5	1	1	2	6
Environment	32	26	18	17	17	26	15	7	5	5	7	13	6	5
Youth unemployment	-	-	1	1	1	3	3	6	10	9	9	5	5	5
Education	1	1	1	1	1	1	1	1	3	3	3	4	5	5
Asylum-seekers	2	36	60	20	11	11	9	7	7	6	8	3	2	1
Right-wing extremism	-	1	4	6	7	2	0	0	2	0	1	6	2	0
Basis:	2037	1942	2028	1997	1708	1945	1932	2002	1975	1979	1946	1952	1607	1557

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3.2 The UK

In the UK the maintenance of peace was seen this year as a major challenge - in addition to the European top ten concerns. Although only 4% see a need for action here, this is nevertheless a fourfold increase on the previous year. The reason for this is doubtless the major role played by Britain in the Iraq war. UK participation at the side of the US was a controversial issue and gave rise to protests and demonstrations.

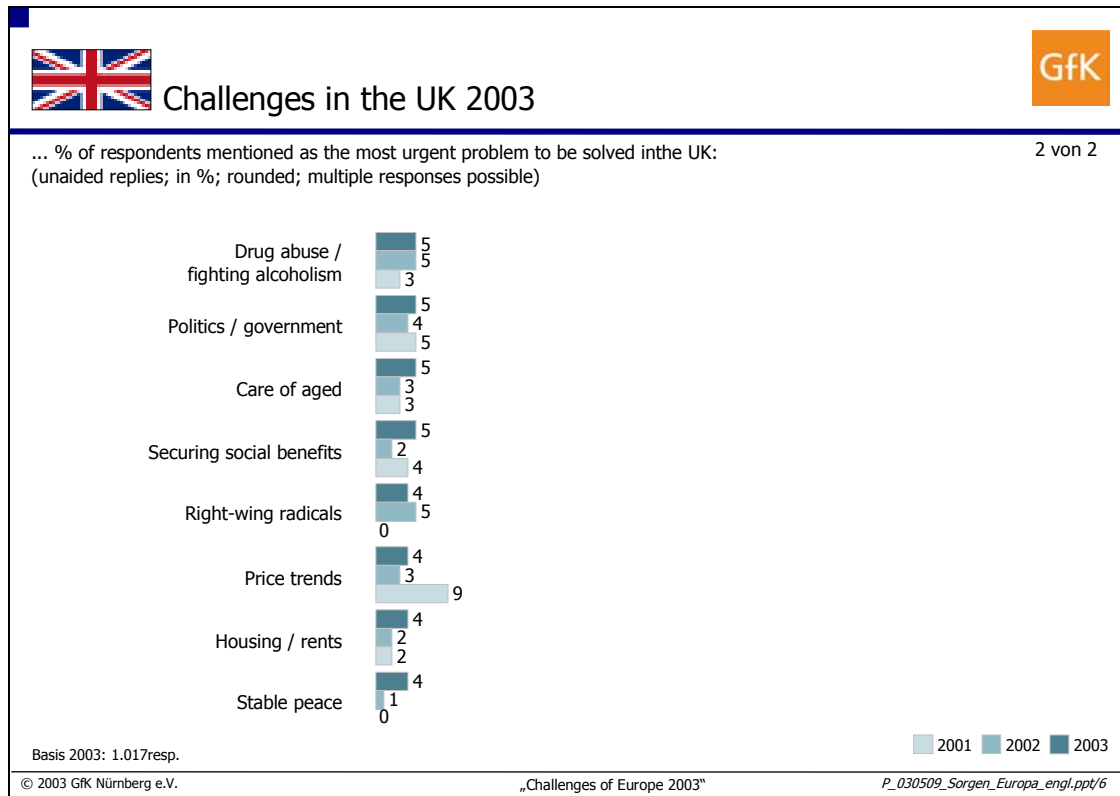


Among domestic issues 10% of Britains are critical of their country's transport policy. This figure is unchanged since last year, as discussion has been kept alive by a series of events. In February 2003, for example, a very unusual measure was introduced in London, the introduction of a "congestion charge" to reduce traffic congestion in the city at peak periods¹⁶.

Many UK citizens see a need for action in a wide range of social areas, 5% mention the need to combat homelessness, for example. There is certainly a close connection here to the concern with housing problems/rents mentioned by 4%. According to official statistics some 180,000

¹⁶ cf. Die Welt, 18.02.03, www.welt.de

households are homeless in the UK¹⁷. The reason for this lies without doubt in steadily increasing rents; families are particularly badly affected.



Another social concern is the improvement of provision of old age, which 5% of Britains consider to be an important issue. Concern for provision beyond the question of a pension, such as the creation of sheltered accommodation and additional social services for the elderly has increased by two points since 2002. This could be attributable to more public discussion of the problem of an “ageing society”. In the UK, as in many other European countries - state and society must face the fact that the number of old people in the population is rising steadily¹⁸.

¹⁷ cf. Shelter, July 2002, www.HomelessnessAct.org.uk

¹⁸ cf. on this subject “UK 2002 Yearbook”, www.statistics.gov.uk

The fight against drug abuse and alcoholism is another important issue. 5% of Britains - the same percentage as last year - express concern at substance abuse.

Right-wing extremism continues to be a major issue in the UK. This year 4% of respondents expressed concern about political extremists, in 2002 the figure was 5%. In 2001 the subject was obviously not a cause for concern.

3.3 The Netherlands

Attention in the Netherlands this year focuses on a very wide range of topics. There has been a big rise in the variety of problems mentioned.

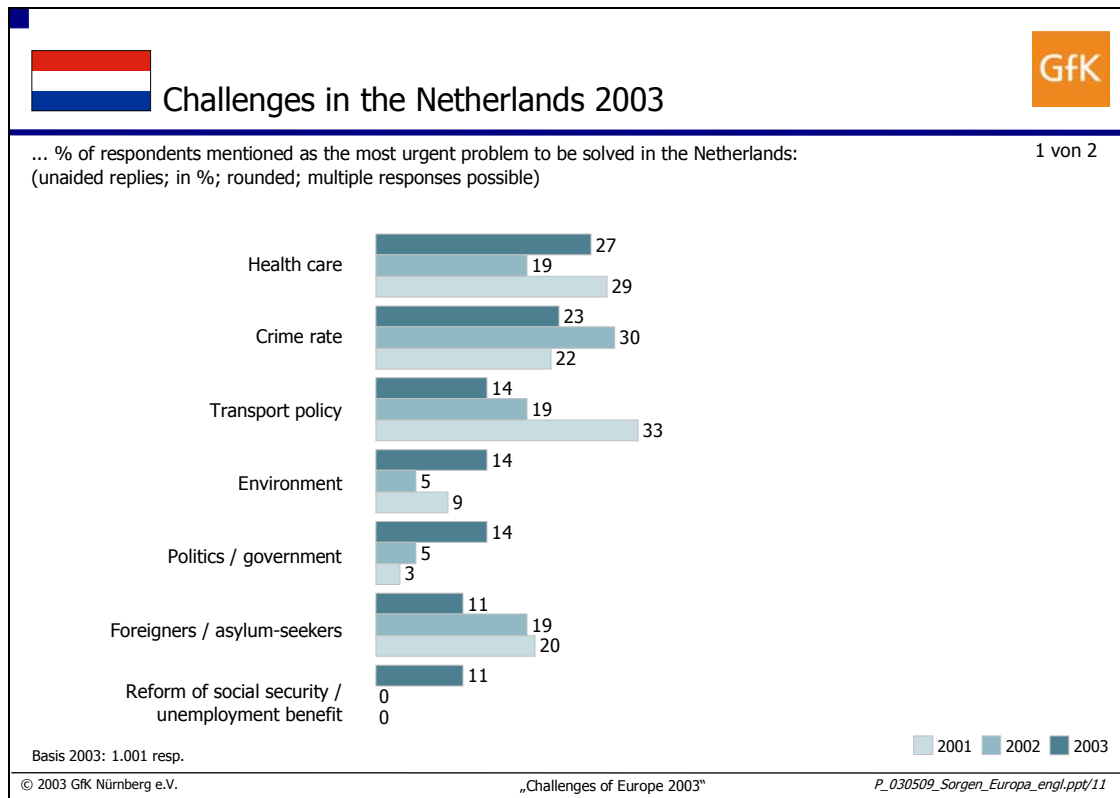
The subject of environmental protection has made a huge leap forward - in a negative sense. Whereas last year the number of responses fell against 2001 to only 5%, 14% of the Dutch population are now concerned about the destruction of the environment. This is not surprising, as the Netherlands have suffered repeatedly from livestock epidemics. In previous years epidemics such as BSE and foot and mouth disease hit the headlines, now it is fowl pest¹⁹.

Another major issue for 14% of the Dutch is the country's transport policy. There has obviously been an easing of the situation, however, as in 2001 33% saw the need for urgent state action.

There is also a strong focus on social concerns. The reform of social and unemployment benefit was mentioned explicitly as an issue this year for the first time. 11% of the Dutch population regard the government's reform plans as problematic, and this is not surprising in view of rising unemployment figures. There are plans to restrict and impede dependence on social benefits and to combat the inability to work²⁰. In this context we should mention the complex of topics connected with the securing of social benefits which has already been described in the panEuropean comparison. A highly-developed social network meant that this subject was of little significance in the past. Currently however, fears are growing rapidly, from 1% in 2002 to 9% this year.

¹⁹ cf. Wirtschaftswoche 17/2003, www.wiwo.de

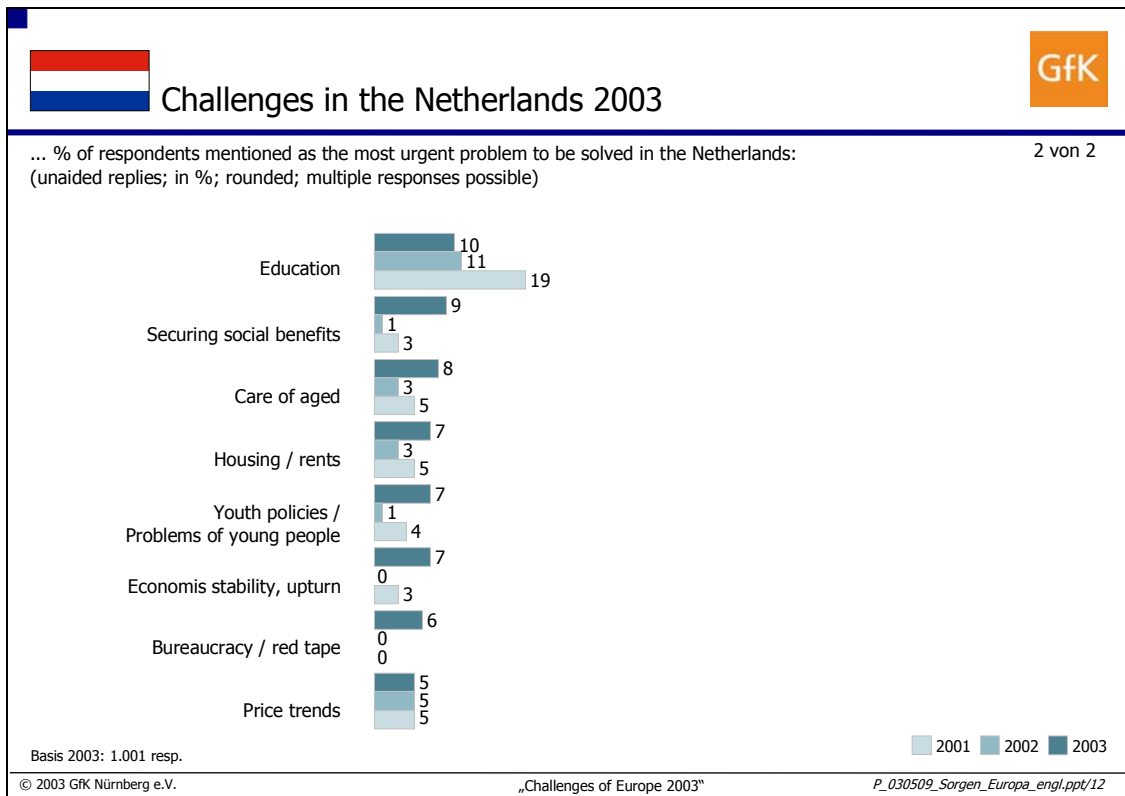
²⁰ cf. Social report 2003, www.niederlandeweb.de



Like most Western countries, the Netherlands too faces the challenge of an ageing society²¹. This is causing growing concern in the population, not only from the point of view of pensions, but also from that of better care for the aged. 8% of the Dutch population see a need for action here. This represents a threefold increase on the previous year.

Another growing concern is the demand for a solution to the housing problem and for lower rents. From 2001 to 2002 the number of responses fell from 5% to 3%. The figure has now risen to 7% and has thus more than doubled. Thus the lowering of rents seems to be firmly established in the Netherlands as a major challenge.

²¹ cf. Social report 2003, www.niederlandeweb.de



Problems with young people and policies for the young have become a more pressing concern. They currently account for 7% of responses, last year the figure was only 1%. The death of a student in Venlo in Autumn 2002 who was mistreated and murdered by two young men met with public outrage in the Netherlands²² and has led to discussions about increased violence among young people.

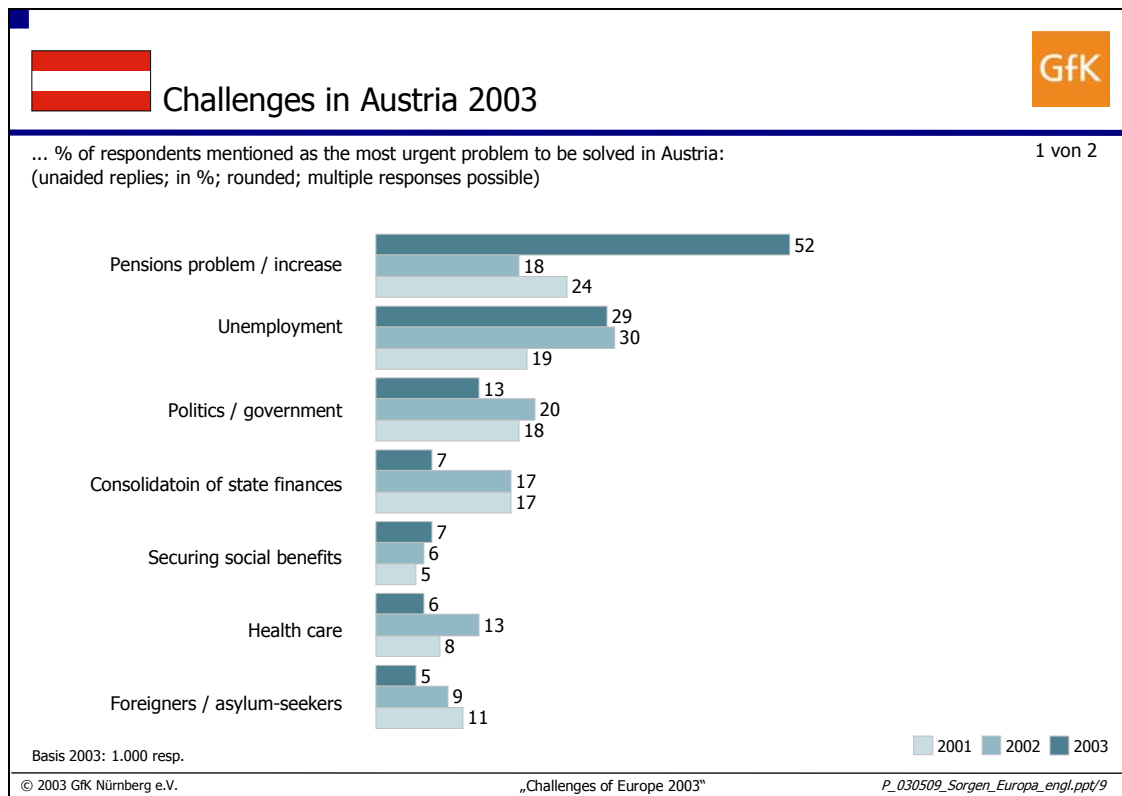
Another special concern of the Dutch is their criticism of bureaucracy and red tape. This year for the first time 6% of the population expressed irritation with the "red tape" in their country. Future studies will show whether this is a once-only expression of annoyance or whether there is a basic problem here requiring attention.

²² cf. www.rtl.nl

3.4 Austria

When we look at concerns in Austria it is obvious that many problems mentioned in earlier surveys have faded into the background. It seems likely that the biggest challenge of this year - the pensions problem - has diverted attention from many other concerns²³.

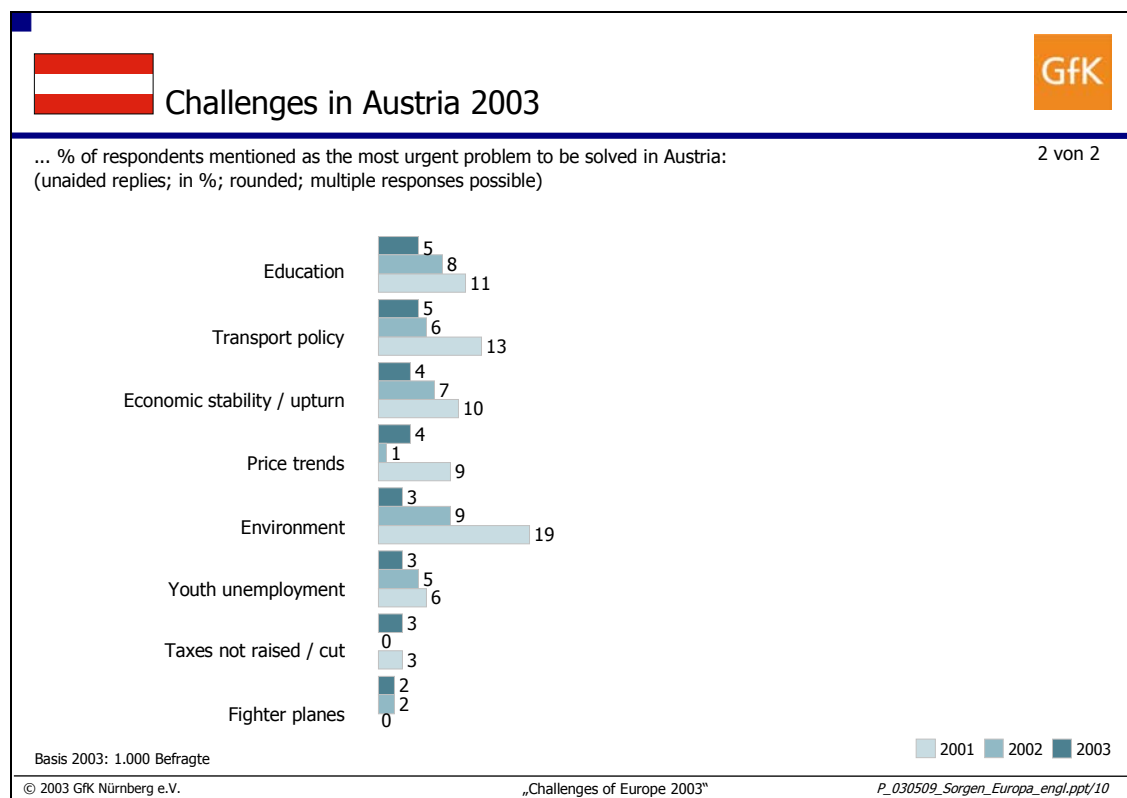
One example of this is concern at the destruction of the environment, which has fallen dramatically to its current level of 3%. Last year it was three times as high, two years ago it was six times as high. It remains to be seen whether this easing of concern is based on an actual improvement or whether it has been crowded out by the pensions debate.



²³ cf. Chapter 2 of this report

Other issues too have become less urgent, the consolidation of state finances, for example. Here responses have fallen by more than half. Only 7% of Austrians regard them as a pressing political issue, as did 17% of the population in the past two years. This change is understandable, stringent savings have reduced the budget deficit to 1 percent according to the Maastricht definition. This is well below forecasts and well below levels in the big European countries²⁴.

Worries about the transport policy have also declined - from 13% in 2001 to their present level of 5%. The geographical position of Austria makes this a constant source of potential conflict. Situated at the heart of Europe and with a number of Alpine passes, the country is subjected to heavy through traffic. But motorway tolls and the tax disc have obviously eased the situation on Austria's roads - and reduced concern.



²⁴ cf. ÖJ-Österreich-Woche 14.01.-20.01.03, www.oe-journal.at

Youth unemployment is currently an urgent concern for only 3% of Austrians, and the trend is falling. In 2001 and 2002 the figures were 6% and 5% respectively.

A further 3% complained about tax increases. Last year the subject was obviously not a cause for concern. This year's rise to the 2001 level is probably attributable to the higher offtakes which have enabled the government to almost eradicate its deficit²⁵.

The fighter planes are a purely Austrian concern. 2% of Austrians expressed criticism of the government's plans to buy 18 new "Eurofighter" fighter planes at a cost of almost 2 billion Euro. The purchase of the aircraft gave rise to heated debates. In mid-2002 there was even a petition in which 600,000 citizens expressed their disapproval of the purchase.²⁶

3.5 France

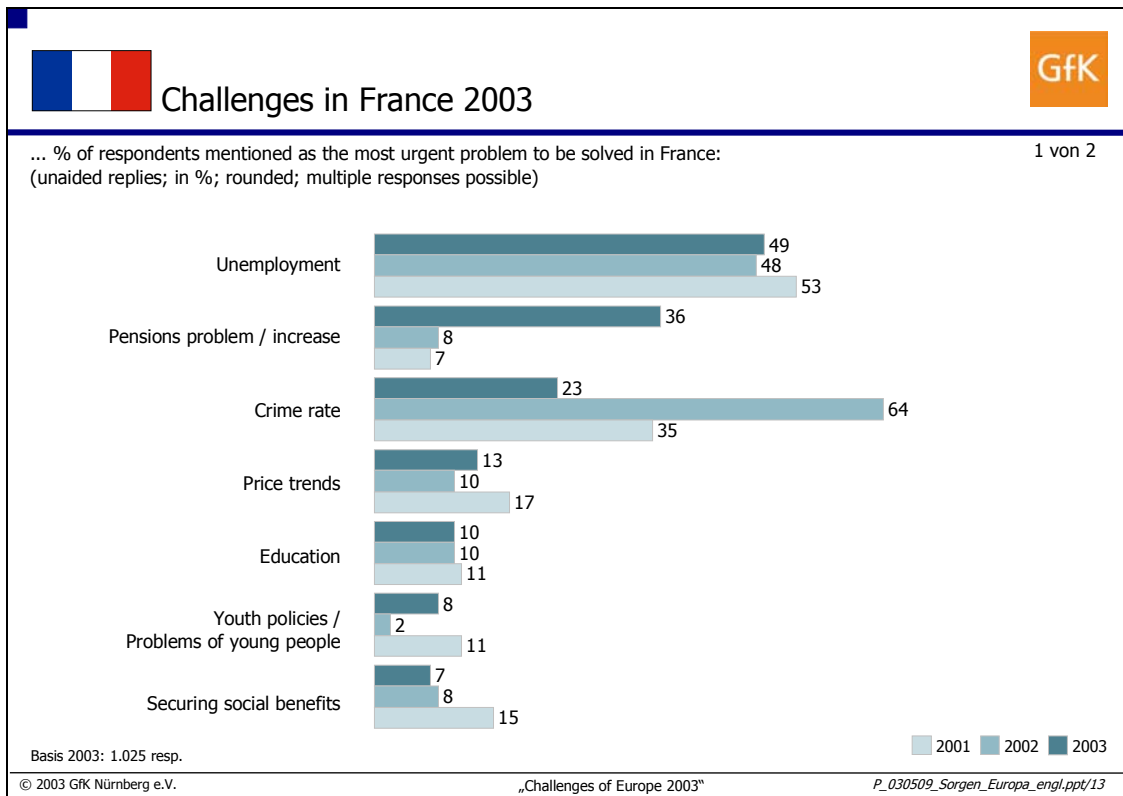
Like other European countries, France has some special problems of its own, such as policies for young people and the problems of young people. Concern for this problem fluctuates widely. This year 8% of the French wished for an improvement in the situation for young people. In 2001 11% saw a need for urgent action; last year the figure fell to a mere 2%. These ups and downs are probably influenced by current events such as the escalation of conflicts between young people and the police when identity checks are made as part of crime prevention. This inevitably tends to happen in critical social areas where young people have poor prospects for the future and for useful employment²⁷. Attention has also been drawn to the topic by the fact that the government plan to demand more of parents. It has been announced that parents who are not able to supervise their children will have their child benefit cut²⁸.

²⁵ cf. Spiegel Länderlexikon, Spiegel Online 06/2003 (www.spiegel.de)

²⁶ cf. Radio Österreich, www.roi.orf.at

²⁷ cf. Spiegel Länderlexikon, Spiegel Online 06/2003 (www.spiegel.de)

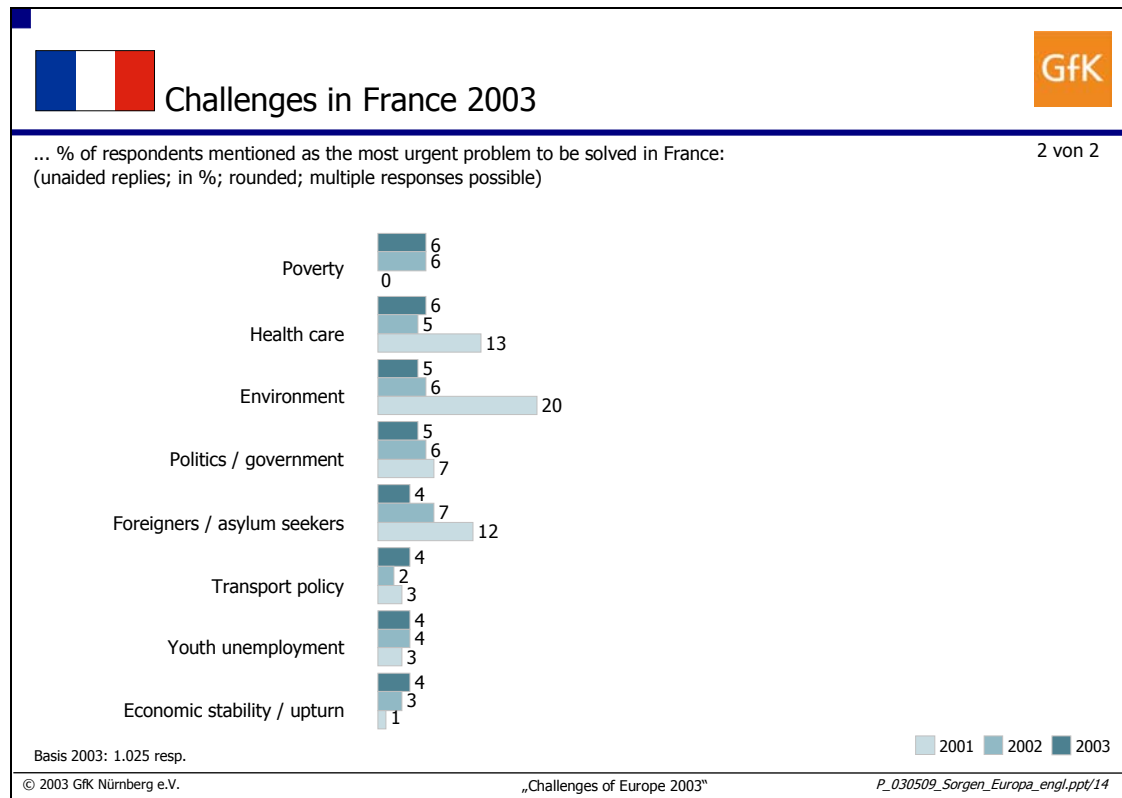
²⁸ cf. Konrad-Adenauer-Stiftung e.V. vom 08.01.2003, www.kas.de



Unemployment among the young, which is relatively stable at present, is also a matter covered by policies for young people. At the moment 4% of the French criticize the lack of job prospects for young people, about the same number as last year.

The social problem of poverty is currently a concern for 6% of the citizens of France - the same number as last year. Not only those on social security have to live in straitened circumstances. Even among those in work there is a relatively high level of poverty in France. 2.7 million people receive only the minimum wage²⁹.

²⁹ vgl. Spiegel Länderlexikon, Spiegel Online 06/2003 (www.spiegel.de); in 2002 the legal minimum wage was 1154 Euro/month



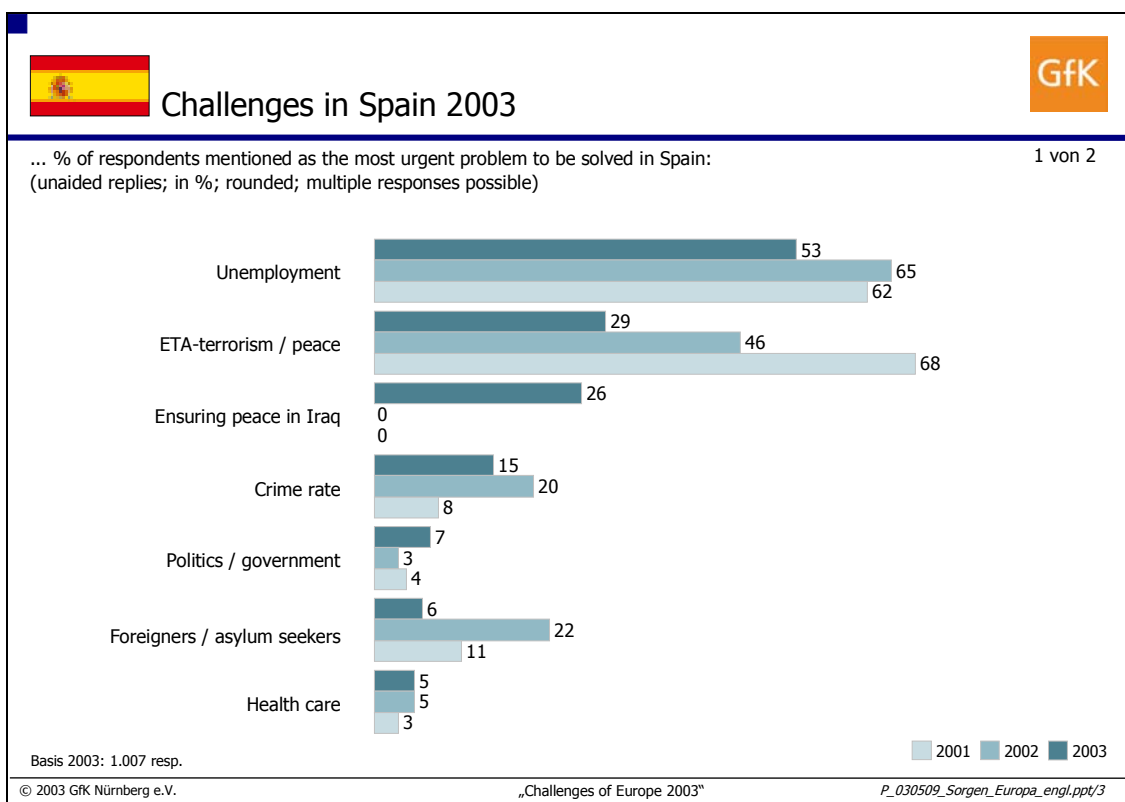
There are signs of an easing of concern about environmental protection. This year 5% of the French population are demanding greater efforts for the environment, in 2002 the figure was 6%. In 2001 20% expressed concern for the environment.

4% of responses in French are concerned with the country's transport policy. The Ministry of the Interior has acknowledged this concern by initiating a campaign to increase road safety. It is aimed to reduce the number of road deaths through more stringent punishments for traffic offenders. In spite of its lower population some 2,000 more people die in traffic accidents in France every year than in Germany, for example³⁰.

³⁰ cf. Konrad-Adenauer-Stiftung e.V. dated 08.01.2003, www.kas.de

3.6 Spain

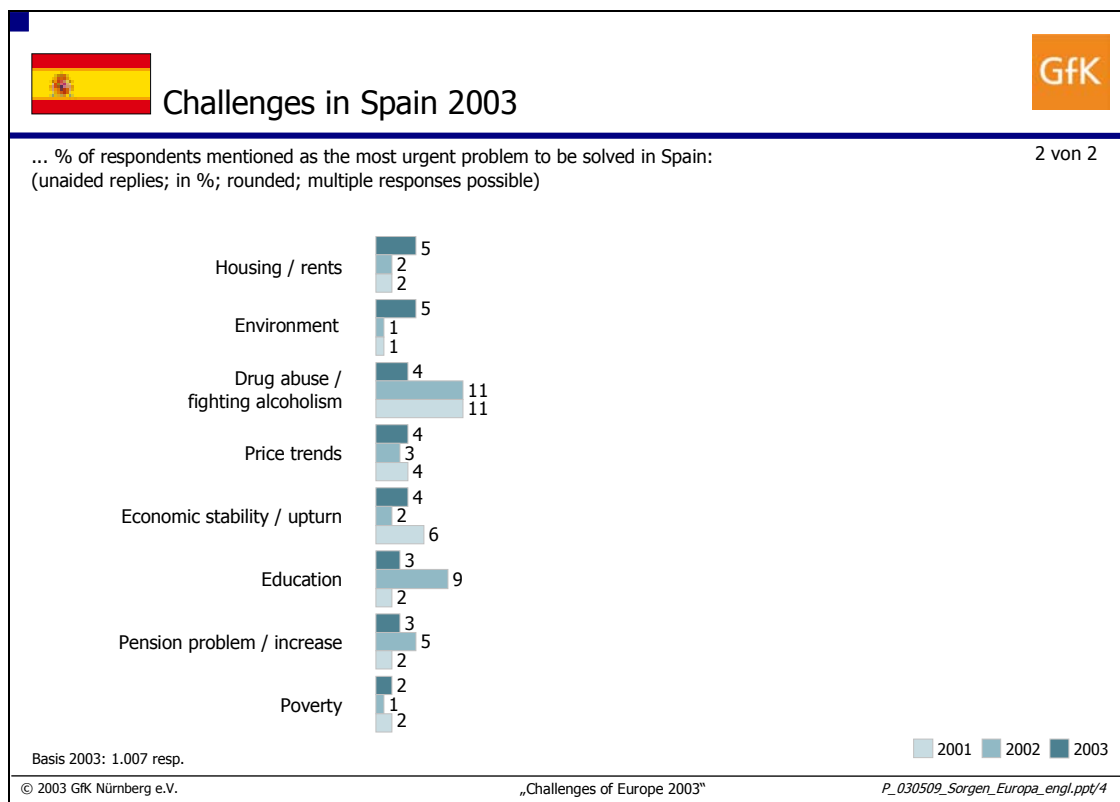
For some time now, Spain has had a special problem of its own, the demand for action against ETA terrorism and the establishment of peace. Once again this issue takes second place in the list of the worries of the Spaniards, with 29% of responses this year. In 2001 it came in first place with 68%, and fell in 2002 to 46%. Thus a steady easing of concern is apparent over the years, probably as a result of the stringent measures taken by the government. These include the banning this Spring of the Batasuna Party, which has close links with ETA³¹.



³¹ cf. Die Welt dated 31.03.03, www.welt.de

Spain's role in the war in Iraq was the subject of considerable controversy at the beginning of the year. It is not surprising, therefore, that 26% of Spaniards mention the establishment of peace in Iraq as a major concern. Although it was obvious as early as the beginning of April that Spain would merely provide humanitarian aid in the crisis region, 91% of Spaniards were against their country's involvement in the war, and thus against the government. This resulted in mass demonstrations, walk-outs and street fighting³².

In the social sector housing problems and rents have been seen for some time as problematic. Concern has more than doubled since the last survey, however. 5% of Spaniards see high rents as a problem in urgent need of a solution, this is a jump from 2%.



³² cf. Die Welt dated 02.04.03, www.welt.de

For the first time, environmental protection has emerged as a concern in Spain. 5% of respondents demand more stringent action against the destruction of the environment, a fivefold increase on previous years. And there is good reason for this, the wreck of the oil tanker "Prestige" off the Spanish coast last year unleashed an environmental catastrophe of unimaginable proportions. It also gave rise to protests to the Spanish government, which is accused of grave failings³³.

4% of Spaniards express concern about drug abuse and alcoholism. This problem is becoming less acute. With 11% of responses in the last two years it seemed set to become a permanent fixture, now, however, it has become less pressing.

The problem of poverty takes 15th place in this year's list of challenges facing Spain. 2% of the population describe the fight against poverty as a major social concern. The problem thus remains relatively stable at between 1 and 2%.

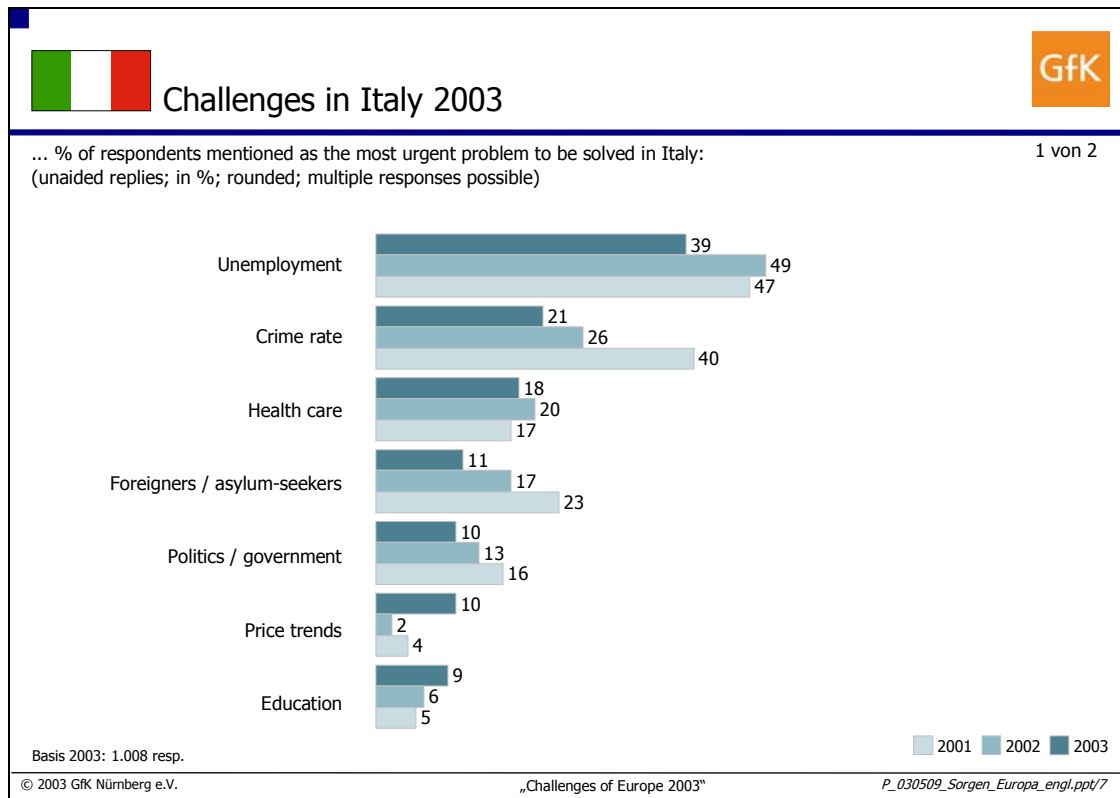
3.7 Italy

Transport policy emerges as one of the special features of the challenges facing Italy. 5% of Italians are dissatisfied with the current situation, in the past two years the figure was only 3%. In addition to generally very heavy traffic, the problem probably became acute with the debate about inadequate safety at Italian airports following two accidents at Milan airport within six months of each other³⁴.

Concern for the environment, which remains unchanged at 4% of responses, is linked to transport policy. One very popular environmental protection measure in Italy has a close connection with traffic - traffic-free Sundays are a much-appreciated feature of life in Italian cities such as Rome, Milan and Florence, both to reduce traffic chaos and to counter environmental pollution.

³³ cf. FAZ dated 19.11.2002 and 15.12.2002; www.faz.net

³⁴ cf. Spiegel Länderlexikon, Spiegel Online 06/2003 (www.spiegel.de)



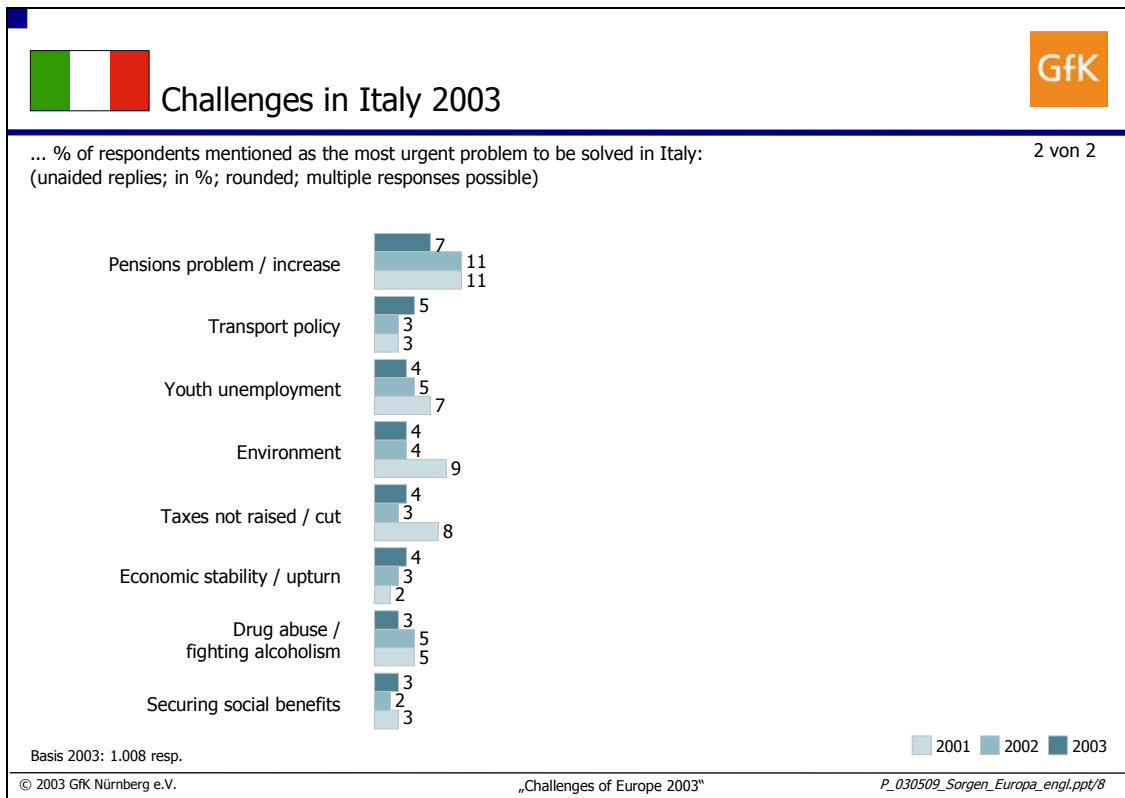
Two further topics are each mentioned by 4% of Italians - they express criticism of unemployment among young people and of the state's fiscal policies.

Concern about youth unemployment has eased; it has been falling steadily and is now at a level of 4%. Unemployment among the under-25s is still at 29.5%, the highest in the EU, but there too there has been a fall. Up to 2000 it remained steady at a level of 31%³⁵.

The number of Italians demanding tax cuts has risen by one percentage point on last year. In 2001 concern was higher at 8%. The public's dissatisfaction is understandable as fiscal reform is one election promise which has not yet been kept.³⁶

³⁵ DIW Weekly Report 4/01, Youth unemployment in the European Union

³⁶ cf. Spiegel Länderlexikon, Spiegel Online 06/2003 (www.spiegel.de)

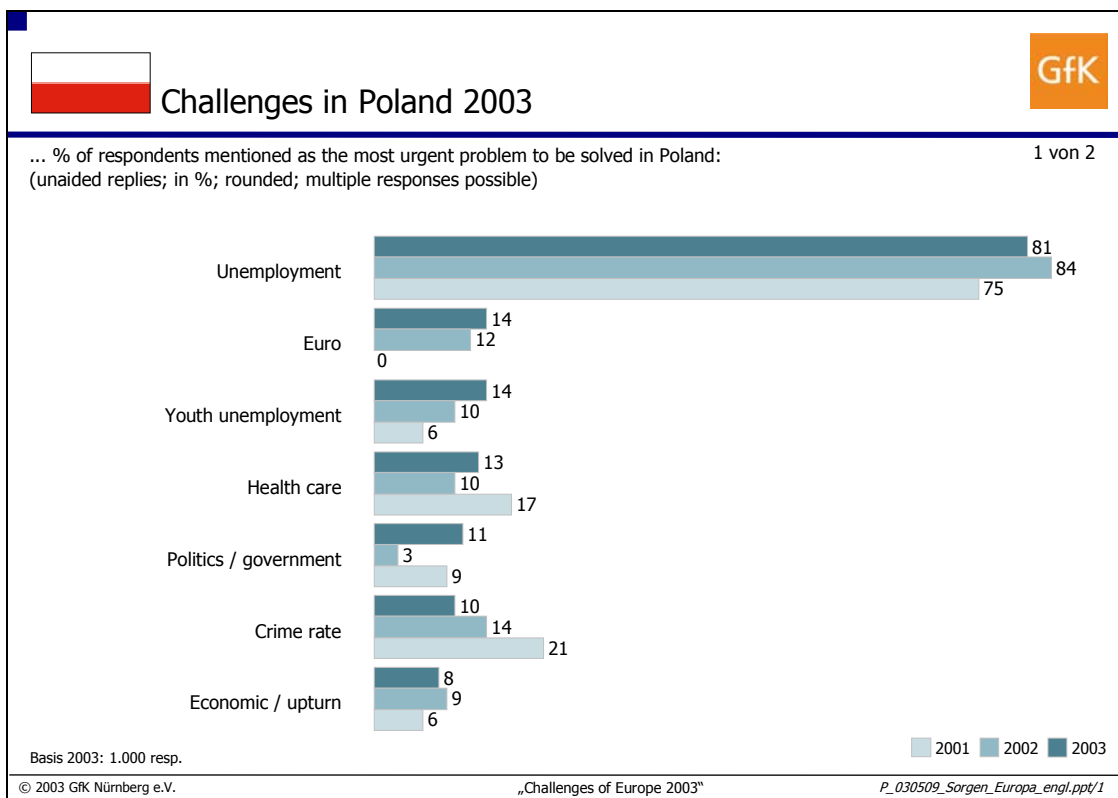


Italians still see the fight against drug abuse and alcoholism as a major concern. In previous years 5% of responses were concerned with this issue, at present 3% of the population are demanding better preventive measures and greater efforts to prevent addiction to legal and illegal drugs.

3.8 Poland

Poland differs from the other countries in the survey in that it is still in the process of developing from a socialist state to a market economy and is not yet a member of the EU. EU membership is coming very close, however. Following the approval of Poland's entry by the EU summit in Athens in April, the Polish population agreed to membership in a referendum. The membership treaty will then be ratified by the parliaments of EU member states. Entry is scheduled for May 2004³⁷.

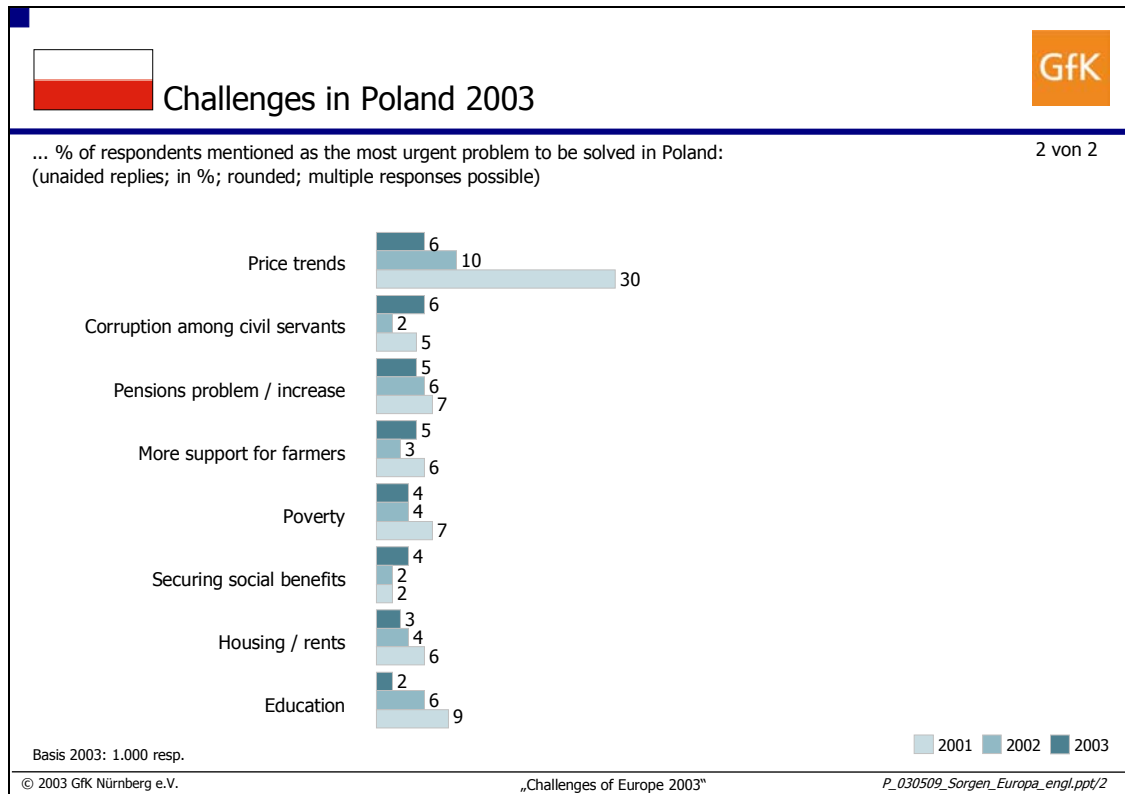
In this situation the population naturally have questions and problems which increase as the date for entry comes closer. This year, for example, 14% of Poles mentioned the EURO as a major issue facing the state and its government, last year the figure was 12%. In 2001 the future currency was obviously not a concern.



Also in connection with planned EU membership, 5% of Poles this year want to see more support for farmers - a rising trend here after a temporary fall in 2002. Almost a third of jobs in

³⁷ cf. Deutsch-polnische Wirtschaftsförderungsgesellschaft AG, www.infopolen.de

Poland are in agriculture, which unlike the other EU states is characterized by a large number of small farms and a lack of infrastructure and alternative possibilities of employment³⁸. Because of this situation the Poles fear disadvantages through EU membership.



As well as the precarious situation on the job market in general, 14% of Poles are worried about the high level of unemployment among young people in their country. This figure has more than doubled in the last two years, a fact which is not surprising in view of the large numbers of young people among the jobless.³⁹

Concern at corruption among civil servants has risen from 2% to 6% since the last survey, for a good reason. Since the end of December 2002 the "Rywingate" affair has attracted much publicity. It is said that the governing SLD party is involved in this affair involving corruption in the media sector⁴⁰.

³⁸ cf. Information on Poland from the Foreign Office 05/2003 (www.auswaertiges-amt.de)

³⁹ cf. Deutsch-polnische Wirtschaftsförderungsgesellschaft AG, www.infopolen.de; total number of jobless persons under 24: 27.8%, aged 25-34: 27.4%

⁴⁰ cf. "Darüber spricht man in ... Polen", (What's happening in Poland) www.tagesschau.de

The wish for action to combat poverty remains unchanged from last year. 4% of the Polish population regard this as an important social issue. In 2001 7% of respondents in Poland expressed criticism of poverty in their country.

Concern about the housing problem and high rents has also eased. The figure has been falling steadily over the past two years and is currently at 3%. In 2001 6% of Poles criticised the shortage of housing in their country, so that the number of responses has fallen to half in this period.

4. Summary

On a pan-European level, a comparison of the last three years shows a basic reduction in the number of challenges which citizens in the countries surveyed regard as urgent. The pressure of the problems has fallen, Europeans now have 2.0 concerns per person, in 2002 it was 2.1 and in 2001 2.2.

This easing is apparent primarily in falling values for major concerns. A slight decline since last year is apparent, for example, for the unemployment problem, which still comes first among the top ten concerns. 48%, i.e. almost half of Europeans, are currently worried about the lack of jobs. Last year the figure was 51%. The demand for greater efforts in the fight against crime has lost much of its urgency. This year it was regarded as a pressing issue by 17% of respondents, which puts it in second place in the top ten of European worries but represents a fall of more than one third since last year. The third place - once again - is occupied by criticism of the health care system. Here too there is a slight downward trend, it currently accounts for 14% of all responses.

The importance attached to the various concerns still varies considerably from country to country. In Germany problems have not become fewer, but have risen to 2.3 per person. The list of worries is headed - as it has been for the past 10 years - by the subject of unemployment. The critical situation on the job market now attracts 75% of responses - a slight increase over last year. In second place with 18% is the problem of pensions/increase, which has grown by 50% since last year. Place 3 is occupied by worries about economic stability and the delay in an upturn, which attracts 16% of responses.

It is not only in Germany that the unemployment situation is the biggest challenge. The situation is repeated, although to differing degrees, in other countries as well. The figure in Poland is higher than in Germany, it is below the German level in France, Spain and Italy. In Austria the unemployment situation comes in second place after worries about the pensions problem. In the UK the fight against crime has top priority, while in the Netherlands the improvement of the health care system heads the list.

Lower down the ranks the differences become even more apparent. The Dutch and the Italians, for example, put the fight against crime in second place, while number two on the British list is improved medical care. In France the pensions problem takes second place, in Poland it is worries about the Euro and in Spain it is the demand for more effective measures against ETA terrorism.

Conclusion: In addition to common European concerns, this year's "Challenges of Europe" include many issues specific to individual countries.