Standard Eurobarometer 80

PUBLIC OPINION IN THE EUROPEAN UNION
Autumn 2013

NATIONAL REPORT
IRELAND

This survey has been requested and co-ordinated by the European Commission, Directorate-General for Communication.

This report was produced for the European Commission’s Representation in Ireland.

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Highlights of Eurobarometer 80

- Carried out in November 2013 as the country was due to exit the bailout, Eurobarometer 80 assess Irish public opinion towards the economy and the EU, as the country becomes the first member state to exit the financial supervision programme since the crisis began.

- While Irish citizen’s perceptions of the economy overall remain negative, the intensity of this negativity appears to be easing somewhat.

- Compared to the other countries that have been in receipt of EU/IMF financial assistance, Irish perceptions of the current state of the economy are less negative than the perceptions we observe in these countries.

- A sizeable shift is detected in levels of trust in the EU after Ireland entered the EU/IMF programme, with levels of trust in the EU, already on the decline before this, falling further. Since entry into the bailout programme, a majority of Irish people has consistently professed distrust in the EU.

- We also observe a shift in the image of EU in Ireland over time. Positive images of the EU in Ireland have been declining over the past decade, with the fall in the positive image measure especially acute post the country’s entry into the EU/IMF bailout programme.

- Further investigations exploring Irish images of the EU suggest that Irish citizen’s image of the EU are influence primarily by attitudinal factors, with citizens who perceive the economy to be performing poorly, and those who distrust the EU less likely to have a positive image of the Union.

- On the other hand, both the levels of trust in the EU and the numbers of people reporting having a ‘positive’ image of the EU in Ireland have increased over the past year (compared with EB79.3), suggesting that a potential recovery may be underway.

- The dampening of Euro enthusiasm in Ireland should not be seen as a Euroscepticism considering that nearly two thirds of Irish respondents (65%) disagree with the proposition that Ireland could better face the future outside of the EU, above the EU average by ten percentage points.
1. Introduction

Eurobarometer 80 is part of a long series of reports that has explored trends in public opinion towards the EU and related matters over the past four decades. This current national report for Ireland is timely, considering that the country exited the three-year EU/IMF bailout programme in December 2013. This bailout had been sought by the Irish government in November 2010 as a means of keeping the ship of state afloat, after Ireland had been particularly adversely affected by the economic and banking crisis. In light of the fact that the fieldwork for Eurobarometer 80 was carried out one month before the country was due to exit the bailout, this report takes the opportunity to assess Irish public opinion towards the economy and the EU, as the country becomes the first member state to exit the financial supervision programme since the crisis began.¹

The report focuses on the Irish public’s perceptions of the state of the Irish economy and details citizen’s economic expectations in the coming twelve months. We also explore Irish attitudes to some potential EU reforms of the financial market. When then examine Irish attitudes to the EU by analyzing levels of professed trust in the EU followed by Irish people’s image of the EU. We conclude with an assessment of people’s attitudes to Ireland’s relationship with the EU into the future.

Before delving into that, we need to draw the reader’s attention to the context in which the data collected must be considered. Previous Eurobarometer reports have detailed the adverse impact the economic crisis has had on Ireland since 2008, including the near collapse of the country’s banking system, rocketing unemployment, lack of economic growth, and a succession of difficult government budgets, which have seen tax increases and cuts to public services. However, at the time of Eurobarometer 80, there are some grounds for optimism. The country had re-entered the bond markets and government ministers have said that in terms of stabilizing the state’s finances, the worst is over.² Unemployment has been declining, with a substantial drop in the numbers of people on the live register over the past twelve months.³ From a European perspective, Ireland also enjoyed what was widely regarded as a successful presidency of the Union, with the long-awaited EU Multi-Financial Framework

¹ Behaviour and Attitudes carried out the fieldwork for Eurobarometer 80 between 3 November and 17 November 2013. A total of 1,004 respondents aged 15+ were surveyed. Full technical details are contained in the Appendix.


agreed during the Presidency. All that being said, challenges remain: economic growth in Ireland remains sluggish and unemployment at 12.4% remains above the EU average of 10.7%. The pertinent questions are what impact have events, both recent and in the medium term had on Irish perceptions of the economy and attitudes to the EU?

2. Irish attitudes to the economy and potential EU market reforms

Previous Eurobarometer reports have captured the extent and severity of the economic crisis as experienced by Irish people, with Ireland consistently near the top of the rankings among member states in terms of its evaluation of the national economy as ‘bad’.

Eurobarometer 80 illustrates that Irish citizen’s perceptions of the economy remain skeptical, with 81% classifying the current economic situation as ‘bad’, above the EU average of 68%. However, this masks a shift in perceptions among Irish people in economic evaluation. Respondents are asked to rate the current economic situation on a four-point scale: ‘very good’, ‘rather good’, ‘rather bad’, or ‘very bad’. Figure 1 shows the breakdown of the different negative evaluations (‘rather bad’ and ‘very bad’) by member state. As we can see, Irish people are evenly split as to the extent of their negative evaluations of the economy: 41% rate it as ‘rather bad’ while 40% perceive it to be ‘very bad’. In sum, while sentiments remain predominately negative, there has been a shift in the degree of negativity, with negativity less strong than it was before – for example, in autumn 2010, 84% of Irish citizens described the Irish economy as ‘very bad’ at that point. Today, that figure has more than halved.

Figure 1 also reveals that compared to the other countries receiving EU/IMF financial assistance, namely Cyprus, Greece, Portugal, and Spain, Irish people’s perceptions of the economy are less negative than the ratings we observe in these states. Looking ahead to the future, Irish people are relatively split as to the prospects for the economy over the next twelve months. Twenty-eight percent of
Irish people think the economy will get better, above the EU average of 21%. But 27% believe the Irish economy will worsen, while 42% think it will stay the ‘same’. While positive sentiment about Ireland’s future economic prospects remains low, these figures must be considered in a time perspective. Looking to Eurobarometer 79.3, only 20% of Irish respondents rated the country’s economic prospects for the future as ‘better’ at that time, with 40% saying they expected it worsen. Judged against the ratings in Eurobarometer 80, there has been a small growth in optimism during the past year. Furthermore, Irish people comparatively have more positive expectations about the country’s economy over the next twelve months compared to the numbers of Cypriots, Greeks, Portuguese, or Spanish respondents who have said likewise about their country’s future prospects. Thus, while Irish people are not overwhelmingly positive about the country’s economic future, there is a small increase in the levels of optimism, and optimism is highest in Ireland when compared to other states that have received EU financial assistance over the past five years.

Eurobarometer 80 also investigated Irish respondents attitudes to some proposed reforms of the financial markets, namely the introduction of Eurobonds and a tax on financial transactions. Figure 2 illustrates the divergence between Irish respondents and the EU as a whole. There is stronger support in Ireland for

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9 Source of question EB80 QC6_3/4: Thinking about reform global financial markets, please tell me whether you are in favour or opposed to the following measures to be taken by the EU:
the introduction of Eurobonds than in the EU as a whole, with 55% of Irish respondents saying they are in favour of the policy and only 14% expressing opposition. This compares to the EU average of 44% in favour and 29% opposed. Only in Belgium, Croatia, Greece, and Hungary is support higher for this policy to be introduced.

But Irish citizens are much less enthusiastic about the introduction of a financial services tax at EU level compared to their European counterparts. While 42% of Irish people say they are in favour of such a tax, this is twenty percentage points below the EU average of 62%. Comparatively, support for the introduction of this tax is only lower in Hungary, Malta, and the Netherlands. Forty-six percent of Irish people are opposed compared to only 27% of respondents in the EU as a whole.

3. Irish attitudes towards the EU
In the past, this series of reports has consistently noted that Irish attitudes towards the EU were amongst the most supportive of any particular member state, with positive dispositions towards the EU outstripping those observed in the EU as a whole on a range of indicators. But this was before the economic crisis
took root, and before the country’s entry into the EU/IMF programme. Eurobarometer 80 permits us to investigate Irish attitudes to the EU in the wake of the economic crisis and exit from the bailout.

We first explore general levels of trust in the EU in Ireland. Figure 3 illustrates the trust levels Irish people have professed to have in the EU over the past decade. In the figure, we have highlighted two major events of the economic crisis that engulfed the country, namely the guarantee of deposits in Irish banks by the government and the country’s entry into the bailout programme. Pre the Banking Crisis of September 2008, a consistent majority of Irish people professed to have trust in the EU, averaging 55% between 2003 and 2008, which was above the EU average of 48% for the same period. But as the economic crisis began to take root, we begin to see a decline in trust levels and a corresponding increase in levels of distrust. By May 2010, Irish people were evenly split as to whether they trusted the EU or not.

A sizeable shift is detected after Ireland enters the EU/IMF programme, with levels of trust continuing to fall and corresponding increases in distrust, with a majority of Irish people now consistently professing distrust in the EU for the first time. Since entry into the bailout, trust in the EU among Irish people has averaged 32%, a mean twenty-three-percentage point drop since the crisis began. This compares to a mean fourteen-percentage point drop in the EU as a whole. Currently, 34% of Irish people say they tend to trust the EU (up five points since EB79.3 earlier this year), while 55% say do not. Thus, it would appear that the economic crisis has taken its toll on Irish levels of trust in the EU. That being said, it should be noted that Irish levels of trust in the EU are still higher than the trust levels we observe in other countries that have been subject to EU financial intervention over the past five years. Also, the increase of five points in trust levels over the past year suggests that trust levels may be recovering, especially considering that the current level of trust in the EU is ten percentage points higher than it was in the autumn of 2011.

We next examine whether the EU conjures up a ‘positive’ image, a ‘neutral’ image, or a ‘negative’ image for Irish people. Figure 4 illustrates the distribution of responses in Ireland, the EU as a whole, and the four other countries that

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10 Source of question EB80 QA10_8: I would like to ask you a question about how much trust you have in certain media and institutions. For each of the following media and institutions, please tell me if you tend to trust it or tend not to trust it: ‘The European Union’

11 Source of question EB80 QA11: In general, does the EU conjure up for you a very positive, fairly positive, neutral, fairly negative or very negative image?
have received EU financial assistance in recent years. Forty-one percent of Irish people have a ‘positive’ image of the EU, above the EU average of 31% and higher than the ‘positive’ image ratings observed in Spain, Portugal, Greece, or Cyprus. However, a majority of Irish people has a non-positive image of the EU,
with 37% having a 'neutral' image, and the remaining 23% expressing a 'negative' image.

Figure 5 explores Irish images of the EU in greater depth by tracking responses to this measure over the past decade. We observe a similar pattern as we did with the trust in EU measure. Positive images of the EU in Ireland have been declining over time. This began in 2007 but took root as the economic crisis took hold, with a decline in the positive image rating especially after the country’s entry into the EU/IMF bailout programme in late 2010.

The extent of the decline can be seen thus: in the mid 2000s, the mean ‘positive’ image score of the EU among Irish respondents was 70%. But this declined between 2008 and 2010, with the mean ‘positive’ image rating falling to a mean of 54%, and a corresponding rise in the number expressing a ‘neutral’/‘negative’ image of the Union. ‘Positive’ images of the EU were to fall off even further post the EU-IMF bailout, with the mean positive rating standing at 36% since then. The current ‘positive’ image of 40% (up seven points on Eurobarometer 79.3 earlier this year) though would suggest that there is potential for this to recover.

It would appear that the economic crisis and the country’s entry into the EU/IMF programme has had an impact on Irish people’s trust and image of the EU. These developments require further analysis and we opt to investigate this
by devising a multivariate logit model to understand some of the reasons associated with Irish people’s positive and non-positive images of the EU.\textsuperscript{12} Our model is best presented graphically (see Figure 6). The regression coefficients are represented by the black dots with the horizontal lines representing the 95% confidence intervals around the coefficients based on the standard errors. A line that does not cross the vertical line at zero can be said to be statistically significant. A dot to the right of the dotted vertical line indicates an increased probability of an individual having a ‘positive’ image of the EU. A dot to the left of the dotted vertical line at zero indicates an increased probability of an individual having a non-positive image of the EU.

We control for a number of demographic factors, namely age, sex, and education as well as three attitudinal variables: respondent’s perceptions of the

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{logit_model.png}
\caption{Logit model explaining the relationship between positive images of the EU and non-positive images of the EU in Ireland.}
\end{figure}

\textit{Please note:} A dot to the right of the dotted vertical line indicates an increased probability of an individual having a positive image of the EU while a dot to the left indicates an increased probability of an individual having a non-positive image of the EU. \textit{Source of data:} EB80.

\textsuperscript{12} We opt for a logit model because we are interested in the impact of our independent variables on whether an individual has a positive image of the EU or a non-positive image of the EU (a combination of respondents who said they had a ‘neutral’ or ‘negative’ image of the EU). Don’t know responses are excluded from the analysis.
Figure 7 Levels of agreement with the statement “(OUR COUNTRY’S) interests are well accounted for the in the EU by member state” - autumn 2013 (%).

Please note: In descending order of agreement with the statement; Source of data: EB60-EB80.

national economy, respondent’s levels of trust in the EU, and respondent’s level of knowledge about the EU.

Age is the only socio-demographic variable in our model that has a significant impact on explaining whether a respondent has a positive or a non-positive image of the EU: younger Irish people (those aged 15-29) are more likely to have a non-positive image of the Union. Rather, images of the EU in Ireland appear to be conditioned more by political and attitudinal variables. The strongest predictor is trust in the EU. If an individual professed no trust in the EU, they were far more likely to have a non-positive image of the EU. Current perceptions of the Irish economy, not surprisingly given the context, were also linked to the image a person has of the EU: those who perceived the economy as doing well are more likely to have a ‘positive’ image of the EU, while those who considered it to be performing poorly are less likely to have a ‘positive’ image of the EU. As we have observed in previous reports, an individual’s level of knowledge is also associated with their image of the EU, with those individual’s who possess a greater level of knowledge about the EU more likely to have a ‘positive’ image towards the Union compared to an individual who has little knowledge of the EU.

The above evidence shows that there has been a significant dampening of Euro enthusiasm in Ireland, as represented by declines in trust in the Union and an increase in non-positive images, and that these drops in enthusiasm appear to be attitudinal rather than demographic driven. But we should be
careful not to interpret this shift in attitudes as indicative of Euroscepticism developing in Ireland. When Irish people are asked about whether the country’s interests are taken account of in the EU, Figure 7 shows that more Irish people than not (48% versus 44%) believe that Ireland’s interests are well accounted for in the EU.\(^\text{13}\) This is above the EU average of 40%, and is higher than the number of respondents who express a similar sentiment about their country’s interests in Spain, Portugal, Greece, or Cyprus. Comparatively, Ireland ranks seventh of member states in terms of its citizens believing that the country’s interests are best taken account of within the Union.

Furthermore, Figure 8 illustrates that nearly two thirds of Irish respondents (65%) disagree with the proposition that Ireland could better face the future outside of the EU.\(^\text{14}\) On this measure, Ireland is ten points above the EU average of 56%, and among the twenty-eight member states ranks ninth in terms of rejecting the suggestion of leaving the EU. Again, the support levels for Ireland remaining with the Union are higher than those observed in Spain, Portugal, Greece, and Cyprus, and substantially higher than the country’s nearest

\(^\text{13}\) Source of question EB80 QA19_2: *Please tell me to what extent you agree or disagree with each of the following: ‘The interests of (OUR COUNTRY) are well taken into account in the EU?’*

\(^\text{14}\) Source of question EB80 QA19_10: *Please tell me to what extent you agree or disagree with each of the following: ‘(OUR COUNTRY) could better face the future outside of the EU’*
neighbour the United Kingdom, where only 37% expressed agreement with the proposition.

4. Conclusions

Understanding the story conveyed by Eurobarometer 80 requires going back to the beginning – that is to the halcyon decades of the 1980s and 1990s. Then, so it seemed, Irish support for the European project was plentiful, robust, and unlikely to falter. But that was before the banking crisis and the IMF/EU bailout and before all the painful policies that affected practically the whole of Irish society. Eurobarometer 80 confirms the extent to which enthusiasm for Europe has declined during the crisis, as evidenced by drops in the levels of trust in the EU and the extent to which Irish people have a ‘positive’ image of the EU.

But the question is whether Euro-enthusiasm been converted into Euroscepticism? For the Irish case and on the basis of Eurobarometer 80, the answer appears to be no for a number of reasons. Firstly, after falling steadily since late 2008, Irish trust in the EU bottomed out in autumn 2011, and has now risen to 34% in November 2013. Secondly, in terms of image, having a positive image of the EU Ireland is above the EU average and of the four other EU states in receipt of external financial funding. Thirdly, the proportion of respondents having a positive image of the Union has increased by seven points over the past year: from 33% in May 2013 to 40% now.

Fourthly, and more crucially: more Irish people than not (48% versus 44%) believe that Ireland’s interests are well accounted for in the EU and two thirds of Irish respondents (65%) disagree with the proposition that Ireland could better face the future outside of the EU. This is above the EU average by ten percentage points. In sum, while Eurobarometer 80 has illustrated the dampening of Euro enthusiasm in Ireland that has clearly occurred over the course of the economic crisis, this should not be seen as a mushrooming Euroscepticism.