



Flash Eurobarometer 405

THE EURO AREA

SUMMARY

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Publication: October 2014

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

This document does not represent the point of view of the European Commission.
The interpretations and opinions contained in it are solely those of the authors.

Flash Eurobarometer 405 - TNS Political & Social

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public about the views and
attitudes related to the euro
in the 18 euro-area

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Flash Eurobarometer 405

The euro area

Conducted by TNS Political & Social at the request of
the European Commission, Directorate-General for Economic
and Financial Affairs (DG ECFIN)

Survey co-ordinated by the European Commission,
Directorate-General for Communication
(DG COMM "Strategy, Corporate Communication Actions and
Eurobarometer " Unit)

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INTRODUCTION

The euro is the official currency of 18 Member States of the EU: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain. These countries are collectively known as the euro area.

Latvia was the latest country to join the euro area, having adopted the currency in January 2014. Lithuania will be the next to join, on 1 January 2015. Euro coins and banknotes were launched in 2002, since when the European Commission has repeatedly measured changes in public perception of the euro in the euro area countries. This report presents results from the latest wave of one such survey. The original survey, in March 2000 (Flash EB 76), dealt with respondents' expectations about the euro.

Subsequent waves of this survey have been adapted to include additional measurements, reflecting the expansion of the euro area into new countries. This year's edition includes questions specific to Latvia, to reflect the country's recent adoption of the euro.

This survey was carried out by TNS Political & Social network in the 18 Member States of the euro area between the 6th and the 8th of October 2014. Some 16,566 respondents from different social and demographic groups were interviewed via telephone (landline and mobile phone) in their mother tongue on behalf of the European Commission, Directorate-General for Economic and Financial Affairs (DG ECFIN). The methodology used is that of Eurobarometer surveys as carried out by the Directorate-General for Communication ("Strategy, Corporate Communication Actions and Eurobarometer" Unit)¹. A technical note on the manner in which interviews were conducted by the Institutes within the TNS Political & Social network is appended as an annex to this report. Also included are the interview methods and confidence intervals².

Note: In this report, countries are referred to by their official abbreviation. The abbreviations used in this report correspond to:

ABBREVIATIONS			
BE	Belgium	LV	Latvia
DE	Germany	LU	Luxembourg
EE	Estonia	MT	Malta
EL	Greece	NL	The Netherlands
ES	Spain	AT	Austria
FR	France	PT	Portugal
IE	Ireland	SI	Slovenia
IT	Italy	SK	Slovakia
CY	Republic of Cyprus*	FI	Finland
EUROZ	Euro Area		

* * * * *

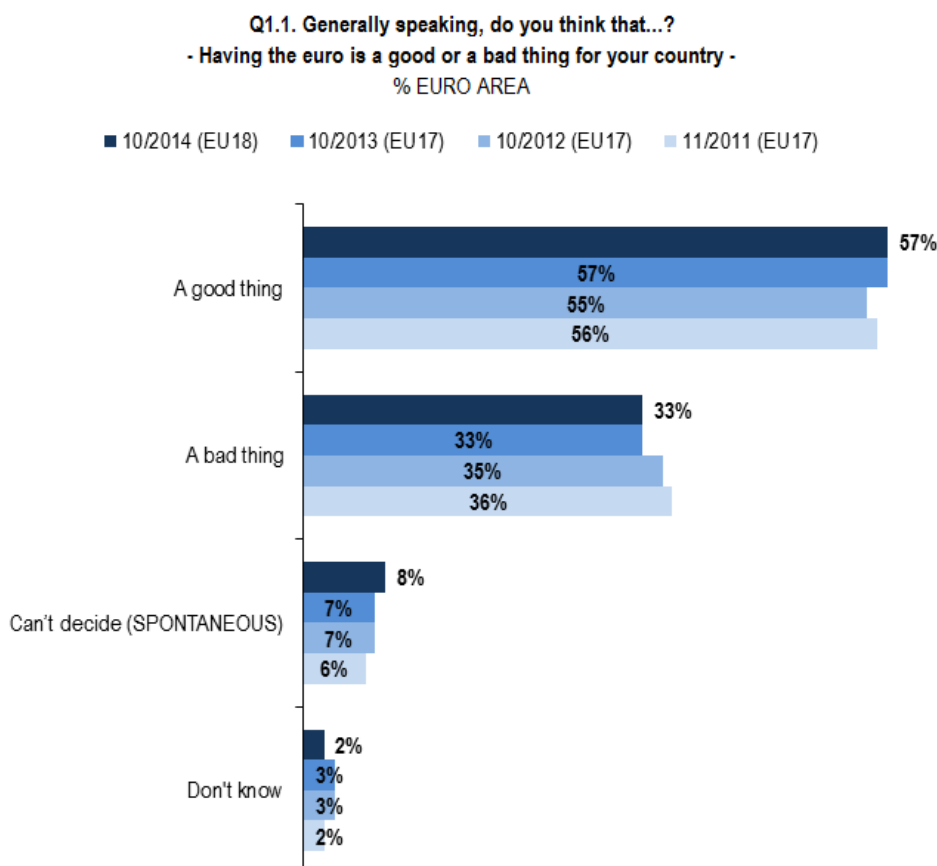
We wish to thank the people throughout the euro area countries who have given their time to take part in this survey. Without their active participation, this study would not have been possible.

¹ http://ec.europa.eu/public_opinion/index_en.htm

1. SUPPORT FOR THE EURO

This first section considers the extent to which people living in the euro area feel that the euro is a good thing for their country, and for the EU in general. It also looks at the impact of the euro on respondent's sense of European identity.

More than half of respondents living in the euro area continue to think (57%, no change compared to 2013) that the euro is a good thing for their country, whereas one third of respondents (33%, no change) think that it is a bad thing. Nearly a tenth (8%, +1) spontaneously say that they can't decide.

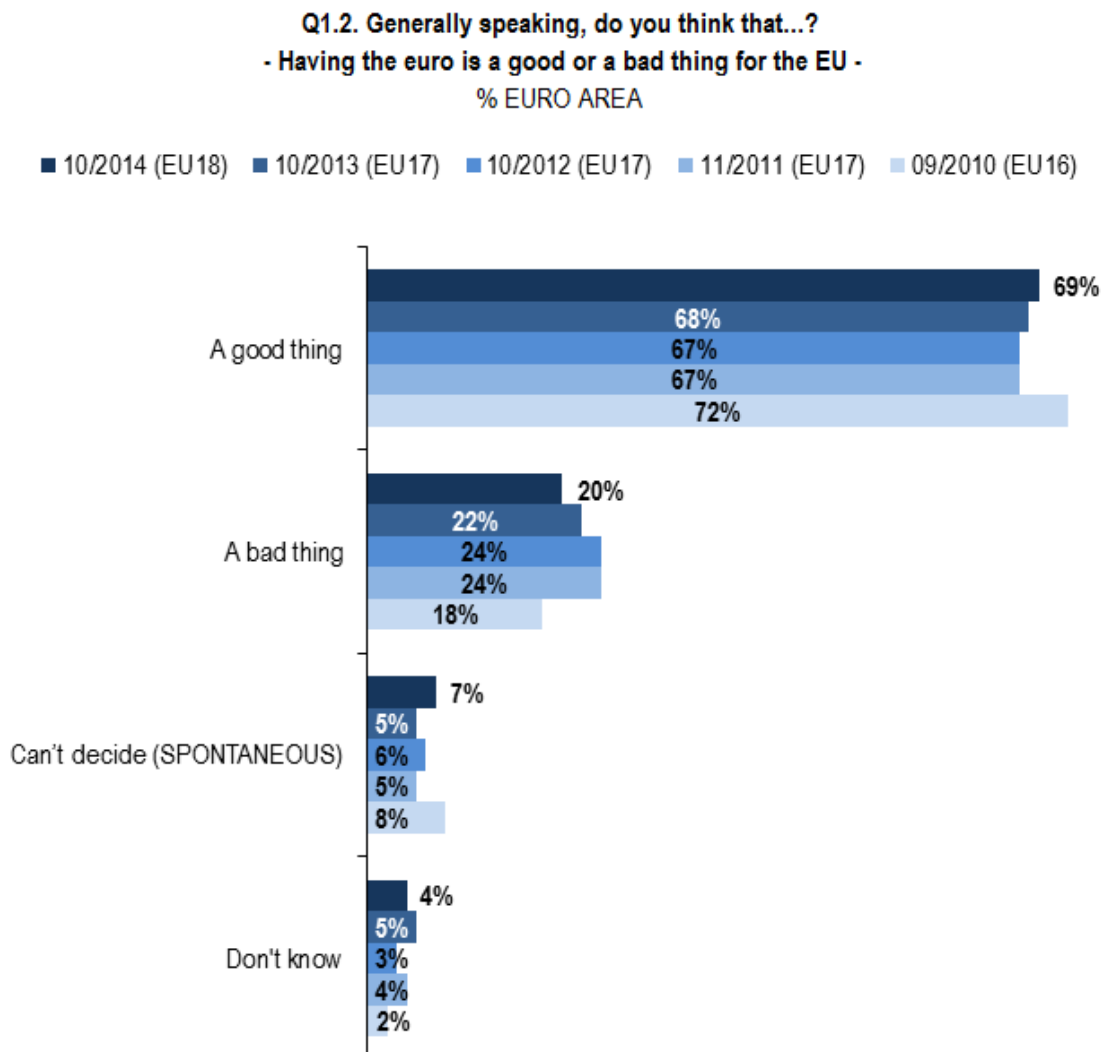


With the exception of Cyprus (42%) and Italy (43%), at least half of respondents in all the euro area Member States think that having the euro is good for their country. Respondents in Ireland (76%), Luxembourg (73%) and Estonia (73%) are the most likely to think that the euro is a good thing.

² The results tables are included in the annex. It should be noted that the total of the percentages in the tables of this report may exceed 100% when the respondent has the possibility of giving several answers to the question.

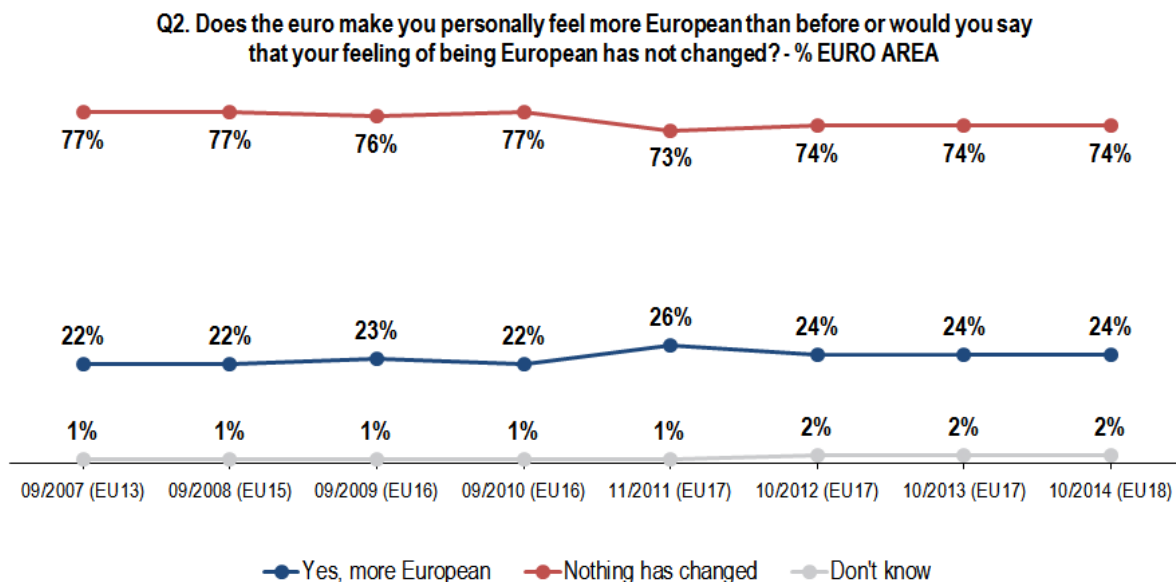
A substantial majority of respondents living in the euro area (69%, +1 compared with 2013) think that the euro is a good thing for the EU. A fifth (20%, -2) think the euro is a bad thing for the EU, while 7% (+2) don't know.

This is the second year in a row in which there has been a slight increase in the proportion of respondents who think that the euro is a good thing for the EU. However, a smaller proportion take this view than in 2010 when 72% of respondents thought that the euro is a good thing for the EU.

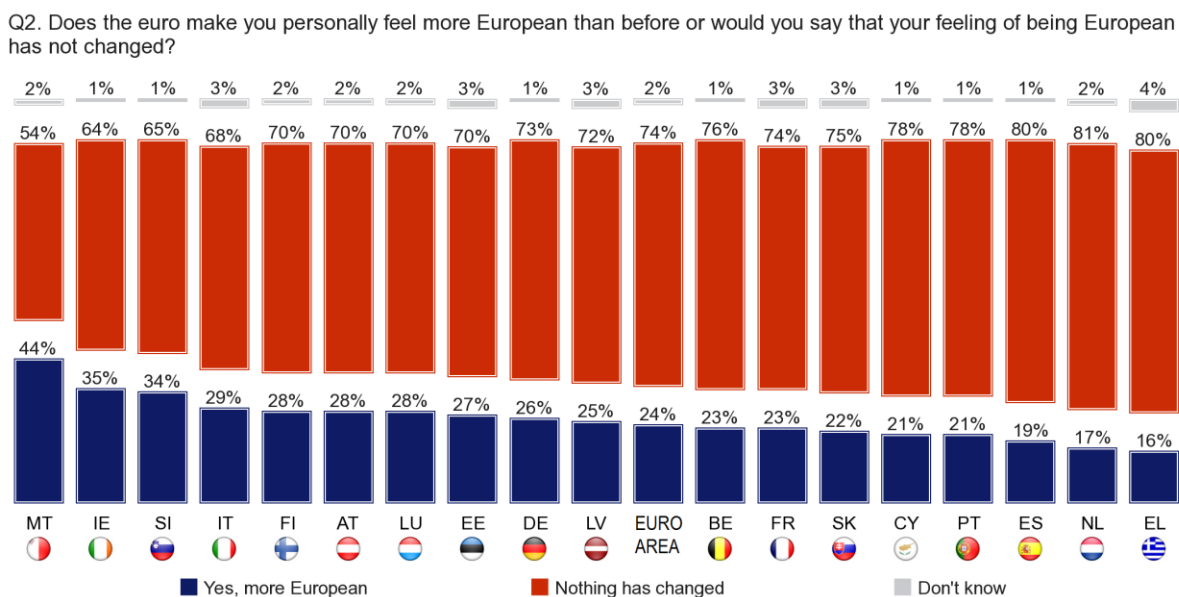


A majority of respondents in every country say that the euro is a good thing for the EU. Respondents in Estonia (80%), Malta (79%) and Luxembourg (78%) are the most likely to think the euro is a good thing for the EU, while those in Cyprus (59%) and Italy (63%) are the least likely to do so. At least a fifth of respondents in seven Member States think the euro is a bad thing for the EU, with those in Cyprus (27%) the most likely to say this.

Just under a quarter (24%) of respondents think that having the euro makes them feel more European than they did before – which is the same result as in the previous two waves of the survey. Nearly three quarters of respondents (74%) say that the euro does not have an impact in terms of making them feel more European.



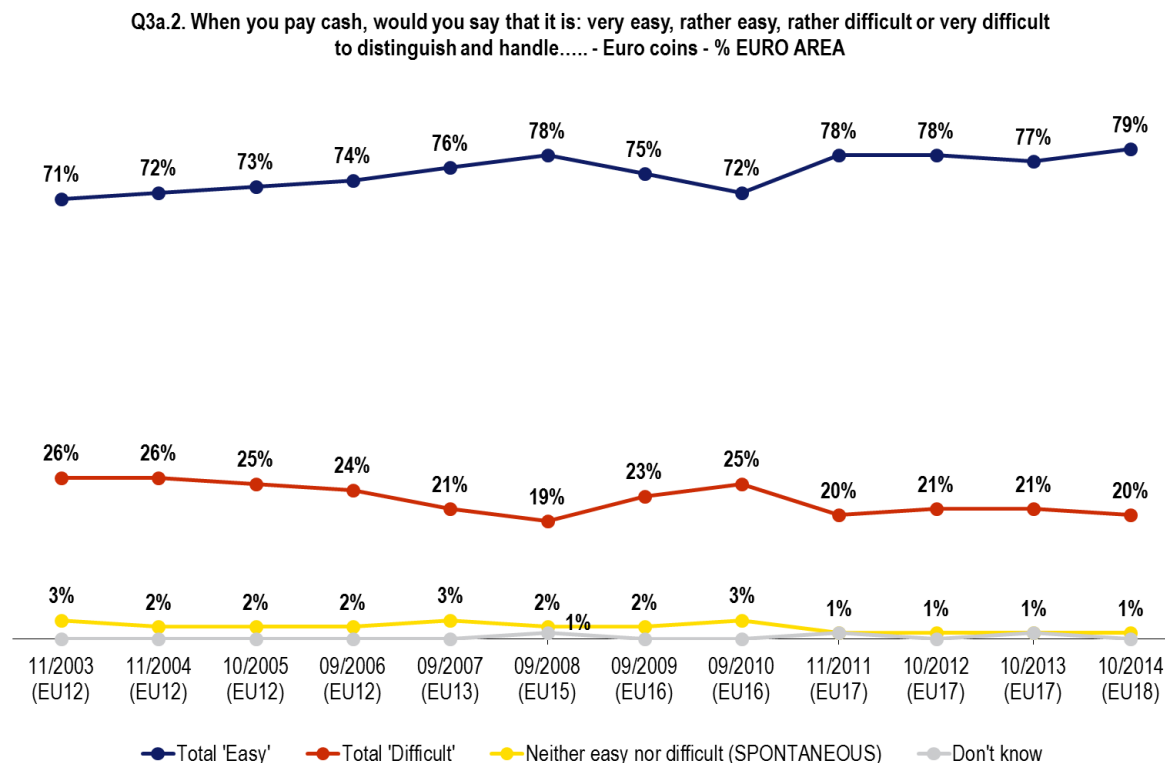
Respondents in Malta (44%) are the most likely to say that the euro makes them feel more European than before, followed by more than a third of respondents in Ireland (35%) and Slovenia (34%). In contrast, less than a fifth of respondents say that the euro makes them feel more European in Greece (16%), the Netherlands (17%) and Spain (19%). In 14 countries at least seven out of ten respondents say the euro does not make them feel more European.



2. EURO COINS AND BANKNOTES

Nearly four-fifths of respondents (79%, +2 compared with 2013) think that euro coins are easy to distinguish and handle. Only a fifth of respondents (20%, -1) think that they are difficult to distinguish and handle.

This is the highest proportion of respondents to have said that euro coins are easy to distinguish and handle since the beginning of the survey in 2003, when 71% of respondents thought they were easy to handle.

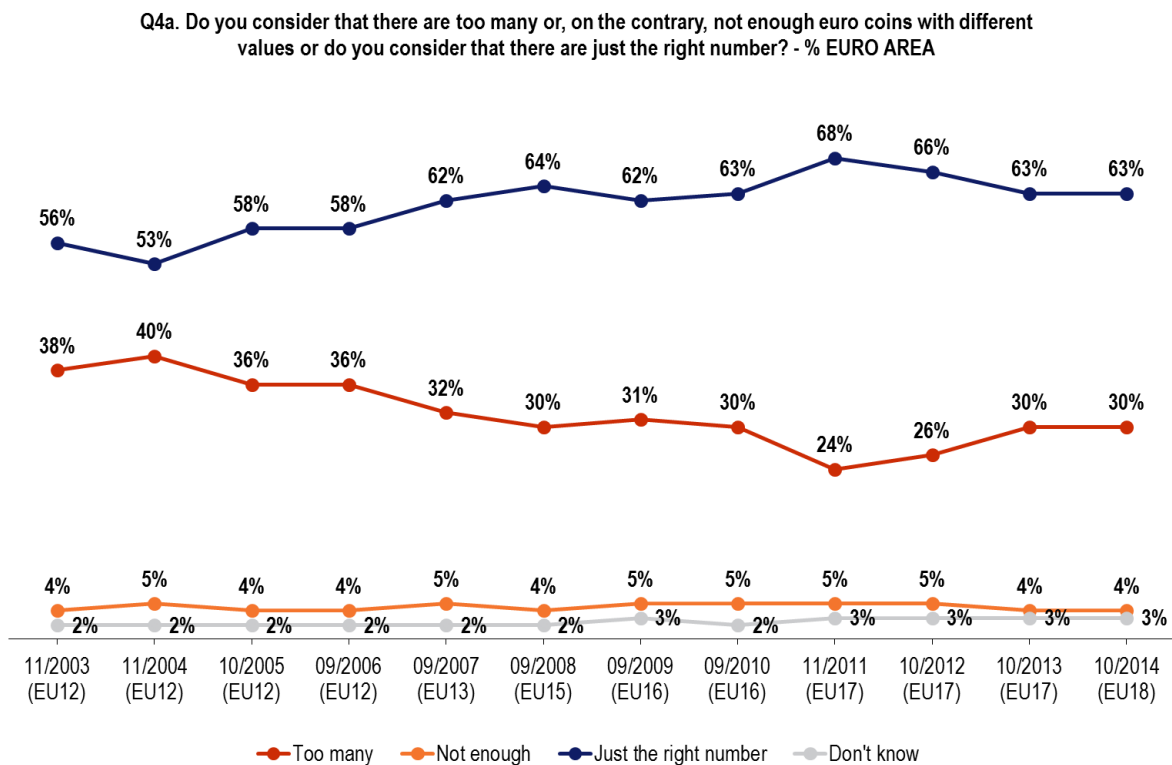


In all countries, a substantial majority of respondents think that euro coins are easy to distinguish and handle. Respondents in Portugal (93%), Finland (93%), and Spain (92%) are the most likely to say this, while those in Estonia (67%) and Latvia (68%) – the most recent countries to have adopted the euro – are the least likely to do so.

When looking at attitudes towards **euro banknotes**, it is found that almost all respondents continue to (94%, no change since 2013) say that euro banknotes are easy to distinguish and handle. Only 4% of respondents (no change) think that they are difficult to handle.

The results are very similar in all the euro area countries, with the proportion of respondents who think that euro banknotes are easy to distinguish and handle ranging from 98% in both Finland and Malta, to 86% in Slovakia and 90% in Estonia.

Respondents were then asked what they thought about the number of euro coins in circulation. Nearly two-thirds of respondents (63%, no change compared with 2013) believe that there is just the right number of euro coins. Three out of ten respondents (30%, no change) think that there are too many coins. Only 4% of respondents (no change) think that there are not enough euro coins with different values.



In all but two countries, at least 50% of respondents think that there is just the right number of euro coins. Respondents in Finland (87%) are the most likely to take this view, followed by around three quarters of those in Latvia (75%), Germany, Portugal, and Slovenia (all 74%). The two exceptions, where less than half of the respondents think there is already the right number of coins, are Belgium and Italy (both 46%).

Compared with 2013, Estonia (59%, +9) and Spain (71%, +5) recorded the largest increases in the proportion of respondents who say that there is just the right number of euro coins, while the proportion of respondents that decreased the most is found in Italy (46%, -9).

3. THE EURO AS A MENTAL BENCHMARK FOR PRICE CALCULATIONS

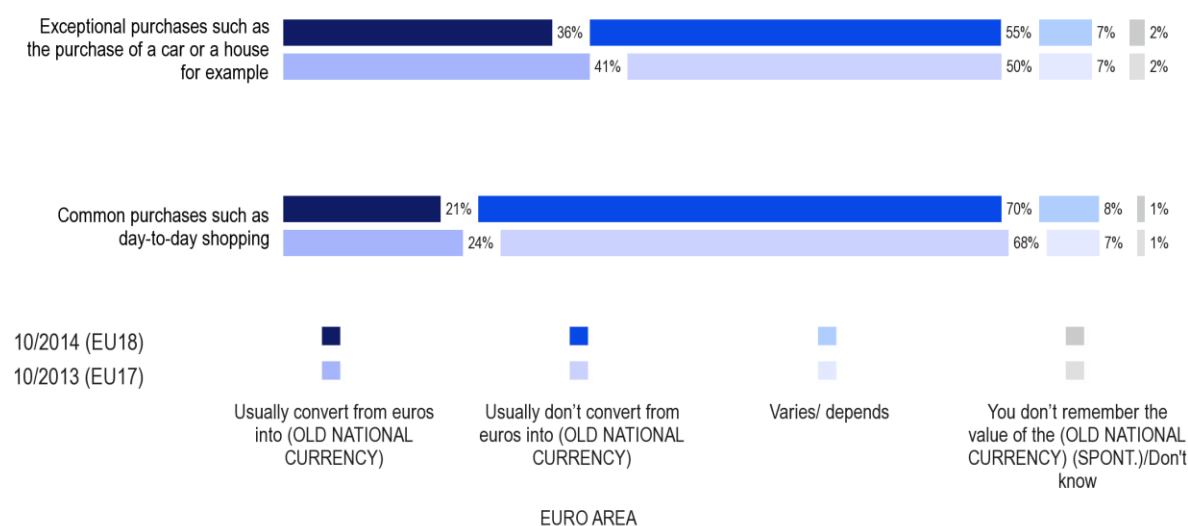
Respondents were asked if they ever convert prices into their old national currency for everyday or exceptional purchases.

Over a third of respondents in the euro area (36%, -5 compared to 2013) still convert the cost of exceptional purchases to their old national currency. More than half (55%, +5) do not do so.

A smaller proportion of respondents (21%, -3) convert from euros to their former currency when making common purchases, whereas a large majority of respondents (70%, +2) do not do this.

In both cases, the data shows a significant shift away from these habits where larger proportions of respondents now say that they do not convert euros into the national currencies in purchases.

Q6. Today, when you are buying things, do you tend to convert from the price in euro to the (OLD NATIONAL CURRENCY) when it concerns:



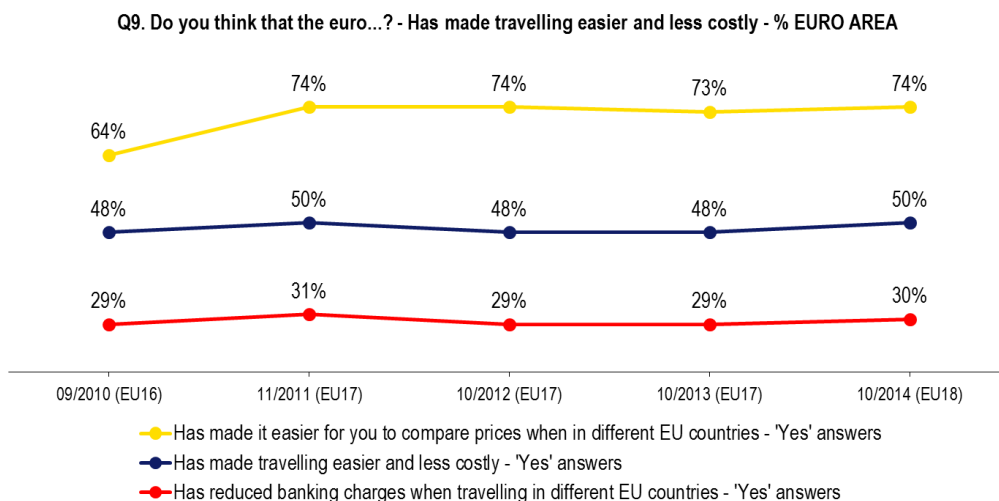
In three countries the largest proportion of respondents still convert the price from euros to their old national currency when purchasing **exceptional items**: Belgium (51% who convert vs. 39% who do not), Malta (50% vs. 47%), and Slovakia (48% vs. 43%).

A majority of respondents in all 18 countries say they do not convert from euros to their old national currency when making **common purchases**. Respondents in Finland and Ireland (both 87%) are most likely to say this, while those in Slovakia (58%) and Italy and Austria (both 64%) are the least likely.

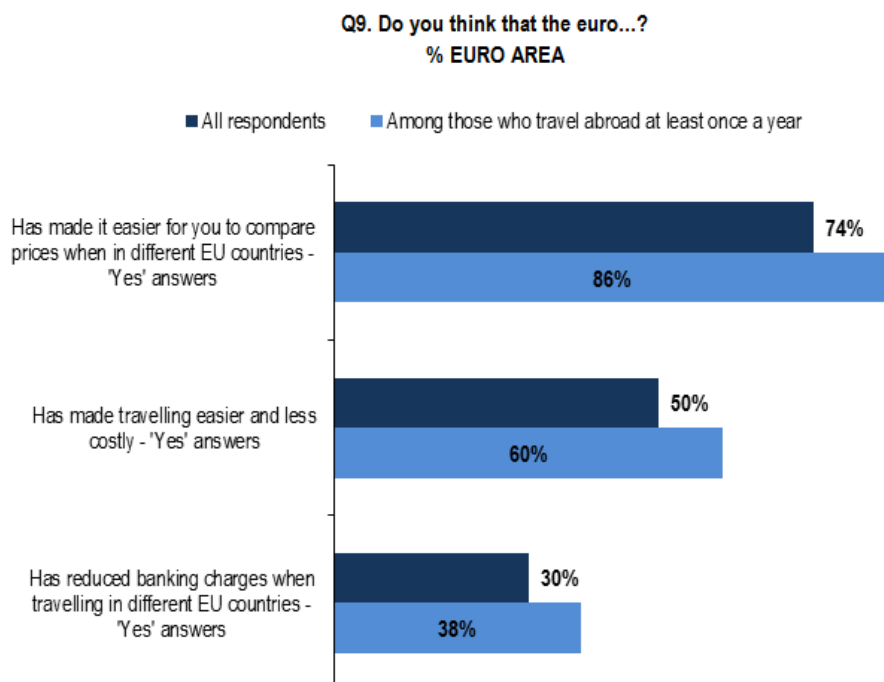
4. INTERNATIONAL USEFULNESS OF THE EURO

Respondents were asked a series of questions about the perceived benefits having the euro might have when travelling abroad.

Around three quarters of respondents (74%, +1 compared with 2013) say that the euro makes it easier to compare prices in different EU countries. Half (50%, +2) think that it has made travelling easier and less costly and three out of ten respondents (30%, +1) feel that the euro has reduced banking charges when travelling in different EU countries.



When focusing on just the respondents who travel abroad at least one a year, it is observed that they are more positive about the impact of the euro than average. They are more likely to say that the euro has made it easier to prices when travelling (86% vs. 74%), that it has made travelling easier and less costly (60% vs. 50%) and that banking charges when travelling in different EU countries have been reduced (38% vs. 30%).



5. MACROECONOMIC ASSESSMENTS

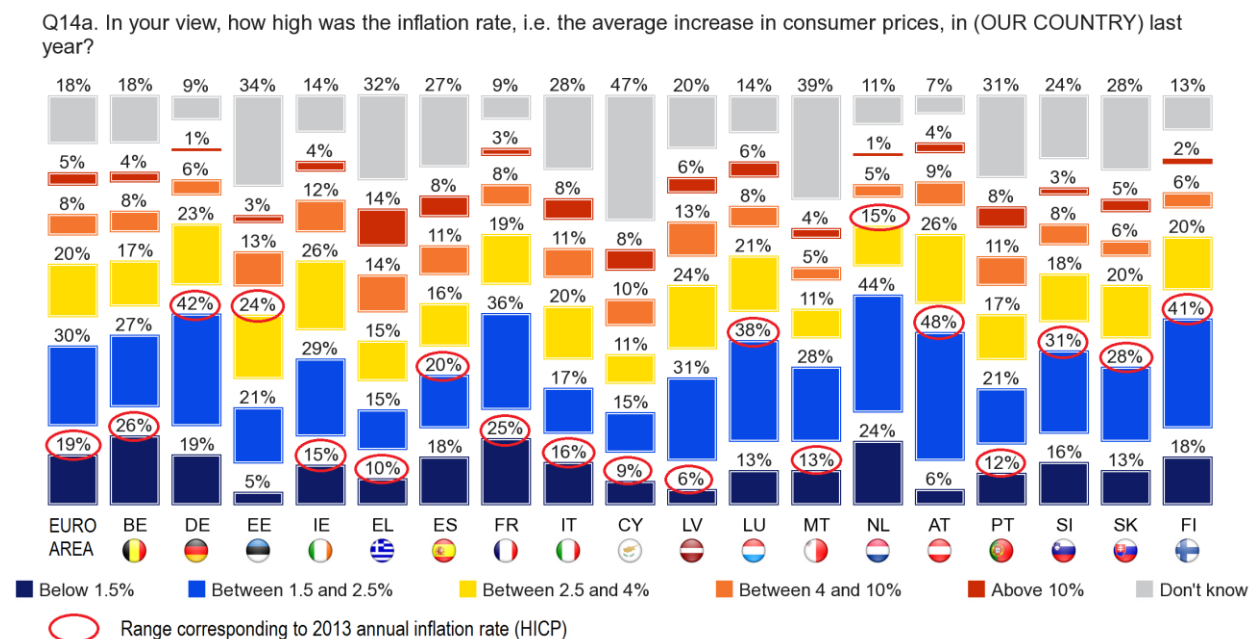
The following chart shows the results by country, with the percentage of respondents who accurately estimated the inflation rate in their own country last year circled in red.

Generally speaking, the graphic demonstrates that respondents in several countries tend to overestimate the inflation rate in their country. This is particularly true in Latvia (where 74% overestimated), Ireland (71%), France (66%), Greece (58%), Portugal (57%), and Italy (56%).

More than four in ten respondents in Austria (48%), Germany (42%), Finland (41%) and Luxembourg (38%) correctly estimated their country's inflation rate last year.

The Netherlands stands out as being the only country in which a substantial proportion of respondents (68%) underestimated the inflation rate.

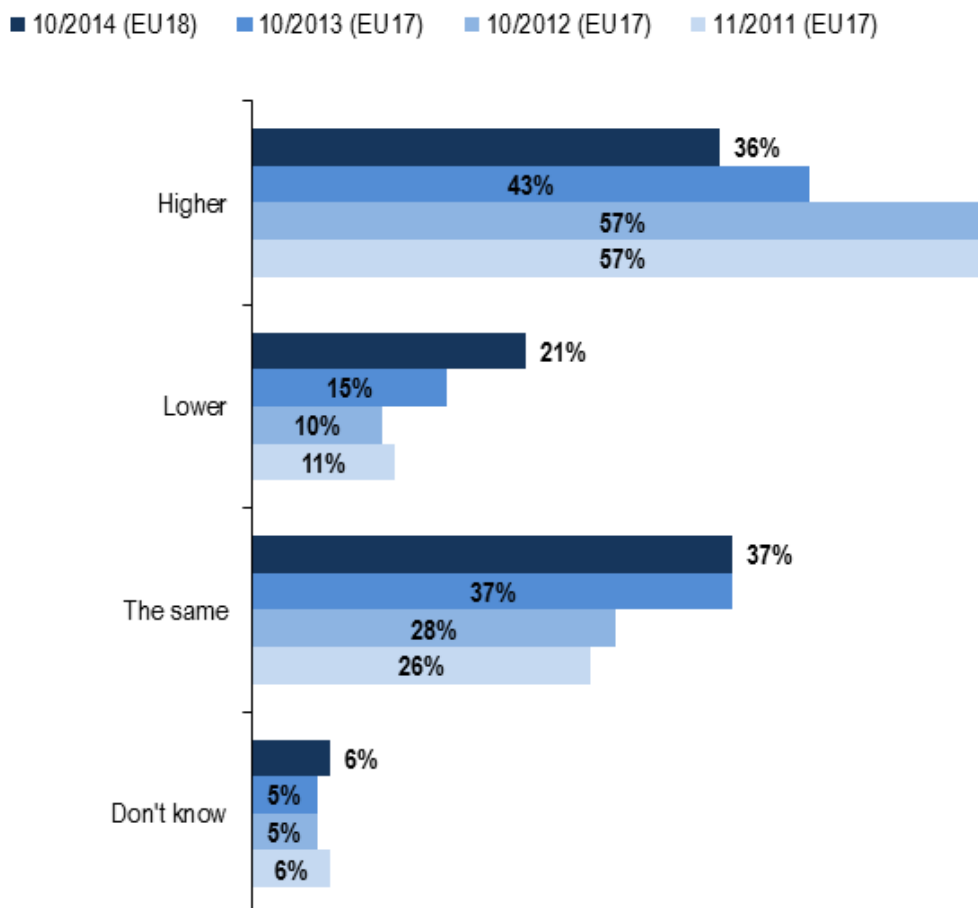
On average, 26% of respondents across the euro area are able to correctly estimate the range to which their country's inflation rate corresponds³.



³ This was calculated by comparing the actual inflation rate per country with the ranges provided by the question. The 26% corresponds to the proportion of all respondents across the euro area who were able to correctly estimate their country's range.

When respondents are asked about their view of this year’s inflation rate, opinion proves to be quite evenly divided as to whether it will stay the same (37%), or increase (36%). Roughly a fifth of respondents (21%) think it will go down. However, the proportion of respondents expecting inflation to go down has increased since 2013 (+6), while fewer people (-7) think it will go up. This trend has now been observed for the last two surveys.

Q14b. What is your expectation regarding the inflation rate this year? Compared to last year, will it be:
 % EURO AREA



In just four countries, the largest proportion of respondents think that the inflation rate will be higher this year: Latvia (41%), Ireland (41%), Italy (40%), and France (39%). Elsewhere, a relative majority of respondents think that the rate will stay the same, with respondents in Luxembourg (46%), Austria (45%) and the Netherlands (45%) the most likely to say this.

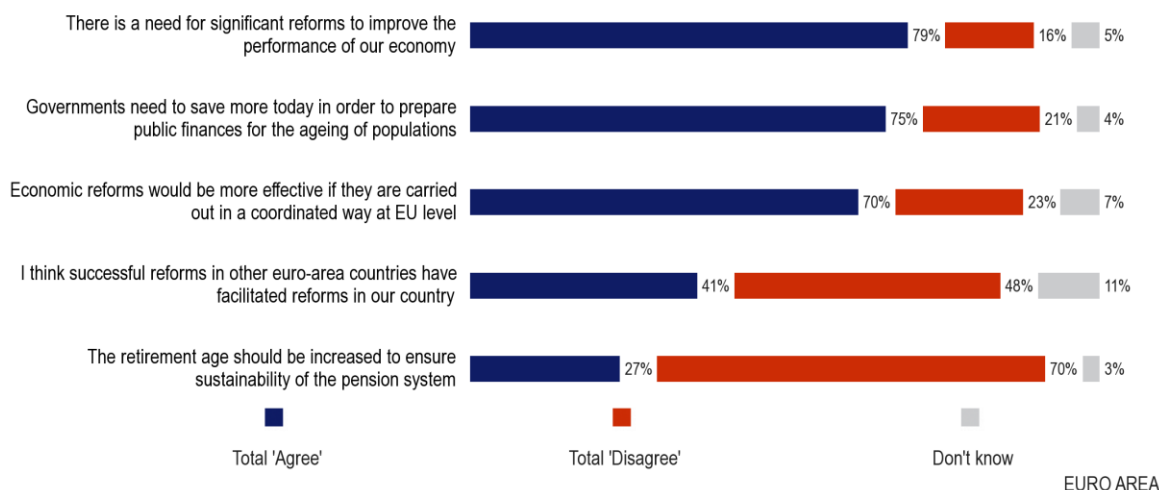
6. ECONOMIC REFORM

Respondents were given a list of five statements about economic reform and were asked whether they agree or disagree with them.

There is strong agreement with the first three statements. Roughly eight out of ten respondents agree that there is need for significant reforms to improve the performance of the economy (79%), while three quarters of respondents (75%) agree that governments need to save more now to prepare public finances for the ageing of populations. Seven out of ten respondents (70%) agree that economic reforms would be more effective if they were implemented in a coordinated way at EU level.

However, the largest proportions of respondents disagree with the idea that successful reforms in other euro area countries have facilitated reforms in their own countries (48% disagree vs. 41% agree), and in particular, that the retirement age should be increased to ensure the sustainability of the system (70% vs. 27%).

Q11. Governments in all euro-area countries are implementing various economic reforms, such as labour market reforms, pension, social security or healthcare reforms, reforms of education systems or market reforms to open sectors to competition. Would you agree or disagree with the following statements related to such reforms?



TECHNICAL SPECIFICATIONS

FLASH EUROBAROMETER 405

"The euro area"

TECHNICAL SPECIFICATIONS

Between the 6th and the 8th of October 2014, TNS political & social, a consortium created between TNS political & social, TNS UK and TNS opinion, carried out the survey FLASH EUROBAROMETER 405 about "The euro area".

This survey has been requested by the EUROPEAN COMMISSION, Directorate-General for Economic and Financial Affairs. It is a general public survey co-ordinated by the Directorate-General for Communication ("Strategy, Corporate Communication Actions and Eurobarometer" Unit). The FLASH EUROBAROMETER 405 covers the population of the respective nationalities of the Member States in the Euro area, resident in each of the 18 Euro area Member States and aged 15 years and over. All interviews were carried using the TNS e-Call center (our centralized CATI system). In every country respondents were called both on fixed lines and mobile phones. The basic sample design applied in all states is multi-stage random (probability). In each household, the respondent was drawn at random following the "last birthday rule".

TNS has developed its own RDD sample generation capabilities based on using contact telephone numbers from responders to random probability or random location face to face surveys, such as Eurobarometer, as seed numbers. The approach works because the seed number identifies a working block of telephone numbers and reduces the volume of numbers generated that will be ineffective. The seed numbers are stratified by NUTS2 region and urbanisation to approximate a geographically representative sample. From each seed number the required sample of numbers are generated by randomly replacing the last two digits. The sample is then screened against business databases in order to exclude as many of these numbers as possible before going into field. This approach is consistent across all countries.

Readers are reminded that survey results are estimations, the accuracy of which, everything being equal, rests upon the sample size and upon the observed percentage. With samples of about 1,000 interviews, the real percentages vary within the following confidence limits:

Statistical Margins due to the sampling process (at the 95% level of confidence)											
<i>various sample sizes are in rows</i>						<i>various observed results are in columns</i>					
	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%	
	95%	90%	85%	80%	75%	70%	65%	60%	55%	50%	
N=50	6,0	8,3	9,9	11,1	12,0	12,7	13,2	13,6	13,8	13,9	N=50
N=500	1,9	2,6	3,1	3,5	3,8	4,0	4,2	4,3	4,4	4,4	N=500
N=1000	1,4	1,9	2,2	2,5	2,7	2,8	3,0	3,0	3,1	3,1	N=1000
N=1500	1,1	1,5	1,8	2,0	2,2	2,3	2,4	2,5	2,5	2,5	N=1500
N=2000	1,0	1,3	1,6	1,8	1,9	2,0	2,1	2,1	2,2	2,2	N=2000
N=3000	0,8	1,1	1,3	1,4	1,5	1,6	1,7	1,8	1,8	1,8	N=3000
N=4000	0,7	0,9	1,1	1,2	1,3	1,4	1,5	1,5	1,5	1,5	N=4000
N=5000	0,6	0,8	1,0	1,1	1,2	1,3	1,3	1,4	1,4	1,4	N=5000
N=6000	0,6	0,8	0,9	1,0	1,1	1,2	1,2	1,2	1,3	1,3	N=6000
N=7000	0,5	0,7	0,8	0,9	1,0	1,1	1,1	1,1	1,2	1,2	N=7000
N=7500	0,5	0,7	0,8	0,9	1,0	1,0	1,1	1,1	1,1	1,1	N=7500
N=8000	0,5	0,7	0,8	0,9	0,9	1,0	1,0	1,1	1,1	1,1	N=8000
N=9000	0,5	0,6	0,7	0,8	0,9	0,9	1,0	1,0	1,0	1,0	N=9000
N=10000	0,4	0,6	0,7	0,8	0,8	0,9	0,9	1,0	1,0	1,0	N=10000
N=11000	0,4	0,6	0,7	0,7	0,8	0,9	0,9	0,9	0,9	0,9	N=11000
N=12000	0,4	0,5	0,6	0,7	0,8	0,8	0,9	0,9	0,9	0,9	N=12000
N=13000	0,4	0,5	0,6	0,7	0,7	0,8	0,8	0,8	0,9	0,9	N=13000
N=14000	0,4	0,5	0,6	0,7	0,7	0,8	0,8	0,8	0,8	0,8	N=14000
N=15000	0,3	0,5	0,6	0,6	0,7	0,7	0,8	0,8	0,8	0,8	N=15000
	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%	
	95%	90%	85%	80%	75%	70%	65%	60%	55%	50%	

ABBR.	COUNTRIES	INSTITUTES	N° INTERVIEWS	FIELDWORK DATES		POPULATION 15+
BE	Belgium	TNS Dimarso	1.000	6/08/2014	8/08/2014	8.939.546
DE	Germany	TNS Infratest	1.000	6/08/2014	8/08/2014	64.336.389
EE	Estonia	TNS Emor	1.000	6/08/2014	8/08/2014	945.733
IE	Ireland	IMS Millward Brown	1.000	6/08/2014	8/08/2014	3.522.000
EL	Greece	TNS ICAP	1.000	6/08/2014	8/08/2014	8.693.566
ES	Spain	TNS Demoscopia S.A	1.000	6/08/2014	8/08/2014	39.127.930
FR	France	TNS Sofres	1.009	6/08/2014	8/08/2014	47.756.439
IT	Italy	TNS ITALIA	1.000	6/08/2014	8/08/2014	51.862.391
CY	Rep. of Cyprus	CYMAR	502	6/08/2014	8/08/2014	660.400
LV	Latvia	TNS Latvia	1.002	6/08/2014	8/08/2014	1.447.866
LU	Luxembourg	TNS Dimarso	502	6/08/2014	8/08/2014	434.878
MT	Malta	MISCO International Ltd	511	6/08/2014	8/08/2014	335.476
NL	Netherlands	TNS NIPO	1.020	6/08/2014	8/08/2014	13.371.980
AT	Austria	TNS Austria	1.002	6/08/2014	8/08/2014	7.009.827
PT	Portugal	TNS EUROTESTE	1.001	6/08/2014	8/08/2014	8.080.915
SI	Slovenia	RM PLUS	1.004	6/08/2014	8/08/2014	1.759.701
SK	Slovakia	TNS AISA Slovakia	1.008	6/08/2014	8/08/2014	4.549.956
FI	Finland	TNS Gallup Oy	1.002	6/08/2014	8/08/2014	4.440.004
TOTAL EUROAREA			16.566	6/08/2014	8/08/2014	267.274.997