

# Chapter 7

## Crisis and Public Support for the Euro



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**Abstract** The Eurozone crisis has meant slow growth, rising unemployment and social unrest. This contribution gauges the impact of these negative developments on European citizens' opinion about the euro and the EU institutions. Using Eurobarometer surveys, the authors find that, within the Eurozone, the crisis has only marginally lowered support for the euro but has led to a sharp fall in public trust in the European Central Bank.

**Keywords** Financial crisis · Euro area crisis · Euro · Public support · Unemployment · Trust · ECB

### 1 Introduction

The euro is a unique currency in at least two ways. It is the first time that a group of democratic countries, has abolished their national currencies and replaced them with a single currency, which is managed by a common central bank, the European Central Bank (ECB). The euro is also unique in that data on public attitudes towards the euro have been collected for more than 20 years (European Commission, 2012). No such comprehensive set of data exists for any other currency in the world.

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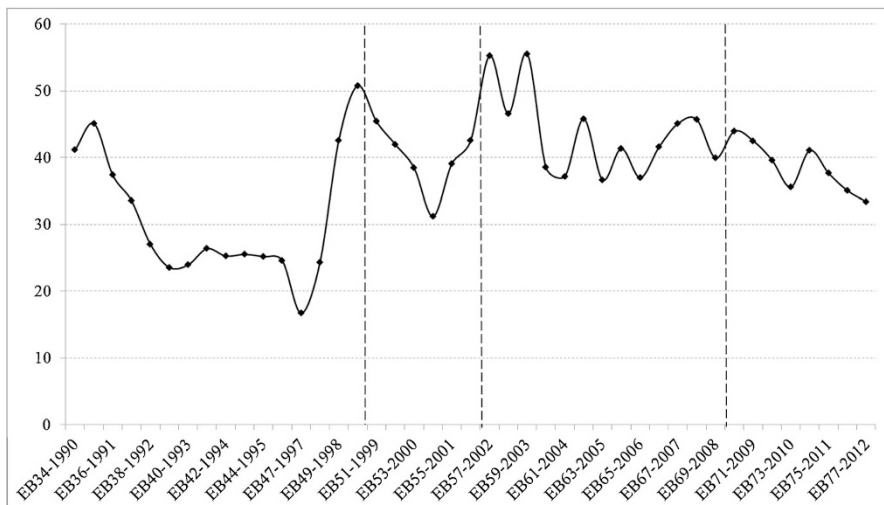
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**Fig. 7.1** Average net support (in %) for the single currency in the EA-12 countries, 1990–2012  
 Notes: Updated version of Fig. 1 (by EB77 from Spring 2012) in Roth et al. (2012). The measure for net support is based upon over 500,000 individual responses. As the figure depicts net support, all values above 0 indicate that a majority of the respondents support the single currency. For the aggregation of the 12 euro area countries, population weights were applied. The dotted vertical lines mark four distinct stages of the history of the euro. The first one, from 1990 to 1999, covers the period prior to the actual establishment of the euro. The second stage, from 1999 to 2002, is the introduction of the euro as a bookkeeping identity. The third (from January 2002–spring 2008) covers the physical introduction of the euro up to the outbreak of the financial crisis in September 2008. The fourth (autumn 2008–spring 2012) coincides with the financial crisis in Europe.

Uniquely, we are able to trace how public support for the euro has evolved over time and how attitudes have changed during the current financial crisis.

We have constructed our measure of public support for the euro from responses to the biannual Eurobarometer surveys, which have been carried out since autumn 1990 (starting with Standard EB 34). Note that our study includes the results from spring 2012 (that is, Standard EB 77).<sup>1</sup> To measure public support for the euro, the survey's interviewers suggested a proposal – '[a] European Monetary Union with one single currency, the euro'<sup>2</sup> – to which respondents could then choose 'for', 'against' or 'don't know'. Here, we focus on the average percentage of net support measured as the number of 'for' responses minus 'against' responses.

In this research, we study public support for the single currency over a 22-year period from 1990 to 2012 for the 12 Eurozone member states (Austria, Belgium,

<sup>1</sup>Our approach is presented in Roth et al. (2012). Here the sources used to construct the data from EB34 to EB77 are also shown.

<sup>2</sup>During the 22-year period examined in this contribution, this question has been modified slightly over time as discussed in Roth et al. (2012). The responses to this survey question underlies most of the literature on public attitudes towards the single currency.

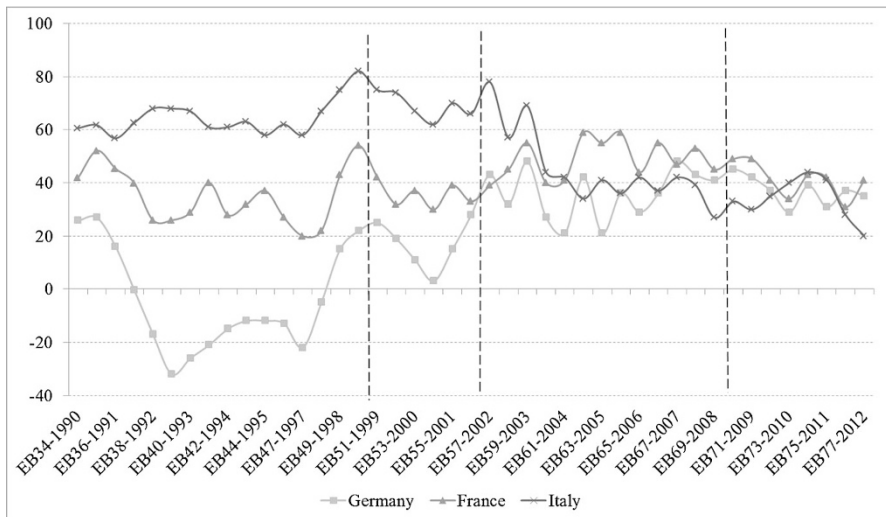
Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain, the EA-12). The data are presented in Fig. 7.1, which shows citizens' net support for the single currency in EA-12 country samples for 1990–2012.

Figure 7.1 shows:

- Over 22 years, a clear majority of citizens within the EA-12 have always supported the euro (net support of at least 15%).
- Since the introduction of the euro as a physical currency in 2002, a large majority of EA-12 citizens have supported the euro (net support of more than 30%).
- In spring 2012, four years into the financial crisis and two years into the European sovereign debt crisis, a large majority (33%) of EA-12 citizens still supports the euro.
- During the financial crisis (2008–12), there has been only a small decline in popular support for the euro (−7% points).

## 2 Support for the Euro across Older, Larger Member States?

But what is support like in the older, larger Member States? Figure 7.2 focuses on the three largest Eurozone economies: France, Germany, and Italy. It brings out a common convergence in opinion with, notably, a clear catch-up process in Germany from 1993 onwards.



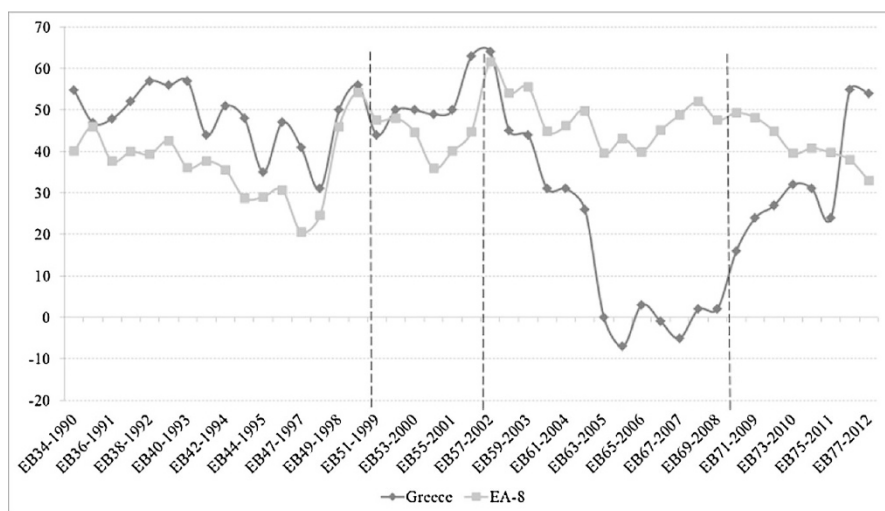
**Fig. 7.2** Net support for the euro in France, Germany and Italy, 1990–2012  
 Notes: Updated version of Fig. 2 (by EB77–Spring 2012) in Roth et al. (2012).

Figure 7.2 shows that:

- In the spring of 2012, four years into the financial crisis and two years into the sovereign debt crisis, a large majority of German (35%) and French (41%) citizens and a clear majority of Italian citizens (20%) still support the euro.
- Since the introduction of the euro as a physical currency on 1 January 2002, a clear majority of German citizens (more than 20%) have continuously supported the euro.

### 3 Opinions in the Crisis Countries

How does the euro fare in the other more crisis-stricken Eurozone countries? Figure 7.3 compares the aggregated net support for Austria, Belgium, Finland, Ireland, Luxembourg, the Netherlands, Portugal and Spain – the EA-8 – as well as Greece. In the EA-8 countries, support for the euro remains high despite falling by 15 percentage points, from 48% in spring 2008 to 33% in spring 2012. This drop is to a large extent driven by developments in Spain, where support for the euro has declined by 22% points during the crisis. Interestingly, and by contrast, support for the euro has significantly increased in Greece during the current crisis, from 2% in spring 2008 to 54% in spring 2012.

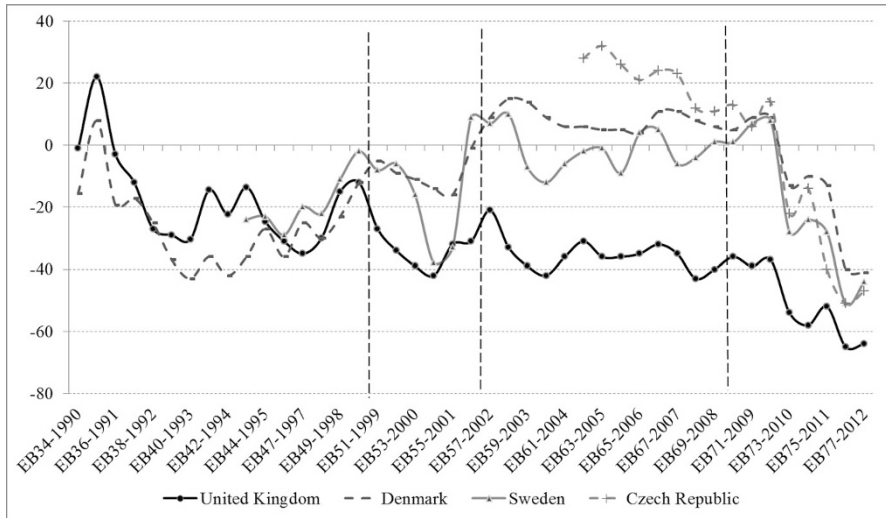


**Fig. 7.3** Net support for the euro in the EA-8 and Greece, 1990–2012

Notes: Updated and modified version of Fig. A2 (by EB77–Spring 2012) in Roth et al. (2012).

### 4 What Does Support Look Like outside the Eurozone?

As highlighted in Fig. 7.4, euro support in the non-Eurozone countries is significantly lower than in the Eurozone. The financial crisis has also significantly eroded public support for the euro in the UK. Surveys suggest a  $-65\%$  fall in support in autumn 2011, the biggest drop in the EU-27 countries.



**Fig. 7.4** Net support for the euro in the Czech Republic, Denmark, Sweden, and the UK, 1990–2012

Notes: Updated and modified version of Figs. A4 and A5 (by EB77–Spring 2012) in Roth et al. (2012).

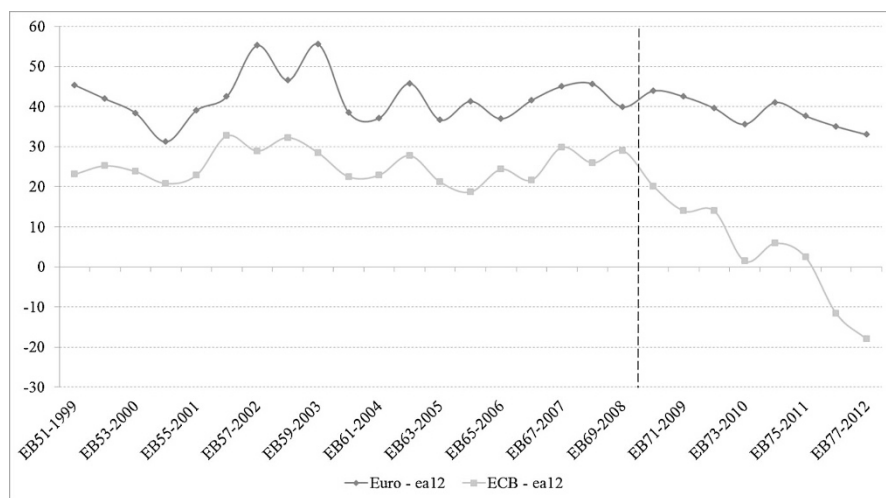
### 5 Levels of Trust in the ECB

How do these results compare to the evolution of public trust in the ECB and other European institutions? As depicted in Table 7.1 and Fig. 7.5, net public trust in the ECB dropped by 47% points in 2008–2012. Public support for the EU dropped by a similar amount over the same period. There is also evidence – although less pronounced – of a loss of trust in the European Parliament and the European Commission. Notably, this decline in institutional trust stands in sharp contrast to the minor decline of 7% points in support for the euro during the same period.

**Table 7.1** Changes in net trust in European institutions compared to changes in net support of the euro in the EA-12, 2008–2012

Comparison	Spring 2008	Spring 2012	Spring 2012–Spring 2008
Net trust in the ECB	29	–18	–47
Net trust in the EU	14	–32	–46
Net trust in the EP	27	–7	–34
Net trust in the EC	21	–11	–32
Net support of the euro	40	33	–7

Notes: Updated version of Table 1 (by EB77–Spring 2012) in Roth et al. (2012). ECB = European Central Bank; EU = European Union; EC = European Commission; EP = European Parliament. Standard EB 69 and 77. On the issue of comparing trust with support in opinion polls, see Roth et al. (2012).

**Fig. 7.5** Net trust in the ECB and net support in the euro, 1999–2012

Notes: Updated version of Fig. A1 by EB77–Spring 2012 in Roth et al. (2012).

## 6 Conclusions

These results highlight that, within the Eurozone, there has been no major erosion of citizens' support for the euro during the Eurozone crisis. This pattern contrasts with the strong decline in public trust for the ECB. Beyond the Eurozone – in countries like the UK, Denmark, Sweden, and the Czech Republic – public attitudes towards the euro have become significantly more negative. In these countries, the crisis is taken as proof that closer European monetary integration is a foolhardy route.

So far, the euro has enjoyed a consistent level of support throughout the crisis, which is astonishing in light of the significant fall in public trust suffered by the ECB and other EU institutions. Citizens in the Eurozone seem to want the euro, whilst

being highly critical of the policies of the ECB and the European institutions during the crisis. The data suggest that Eurozone citizens do not hold the euro responsible for the crisis. Rather, they hold policymakers and their institutions responsible. As such, the present support for the euro should be viewed as an asset for European policymakers facing difficult choices to improve the workings of the euro area.

## References

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