



*European Economic and Social Committee*

**ECO/214**  
**Advantages and benefits of  
the euro**

Brussels, 29 May 2008

**OPINION**

of the

European Economic and Social Committee

on

**The advantages and benefits of the euro: Time for assessment**

(Own-initiative opinion)

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On 27 September 2007, the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

*The advantages and benefits of the euro: Time for assessment.*

The Section for Economic and Monetary Union and Economic and Social Cohesion, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 30 April 2008. The rapporteur was Mr Burani.

At its 445th plenary session, held on 28 and 29 May 2008 (meeting of 29 May), the European Economic and Social Committee adopted the following opinion by 129 votes nem. con. with three abstentions.

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## 1. Conclusions and recommendations

- 1.1 Ten years on from the introduction of the single currency, the EESC has decided to take stock of the benefits brought by the euro for individuals and businesses: not so much the economic and monetary benefits – for there are economists, politicians and media commentators to do that – but rather **from the point of view of users**. In other words, a decade of experience has shown that the euro has proved its worth and that the introduction of this prestigious, stable currency has enabled Europe to hold its own internationally, but **how do users see the single currency?**
- 1.2 This opinion takes as its starting point an overview of the benefits brought by the introduction of the euro: a mixture of light and the shade cast by the international economic situation. It focuses on the results of the periodic Eurobarometer surveys ascertaining whether and to what extent the European public appreciates these benefits.
- 1.3 The results are encouraging in many countries, but in some others a large proportion of those interviewed still say that they find the "new" currency hard to use, that they calculate prices in the old national currency and that they blame the euro for higher prices, and only half feel that, ultimately, the introduction of the single currency has boosted economic growth. Basically, the survey reveals that not always, in all countries, has the euro been enough of a success with the people.

- 1.4 An initial reaction to these results could be to question whether the responses were truly objective and informed: the EESC rejects this approach. Rather than rejoicing at the success, we need to **understand the causes underlying the negative perceptions** and ask ourselves what can be done to eliminate the effective or subjective reasons for dissatisfaction.
- 1.5 The perceptions which are genuinely well founded can be eliminated or tempered by **targeted policies or measures**, as in the case of improved **payment systems** (SEPA), or by suitable **measures to curb price increases**. The latter must be compatible with the principles of the free market and competition.
- 1.6 **Subjective perceptions** are more difficult to deal with: opinions must be treated with the greatest respect and **the deep-rooted causes underlying negative perceptions** must be sought. A communication strategy is, of course, necessary, but it should be implemented in such a way as to **take into account the differing national and social priorities** of the target publics.
- 1.7 The Eurobarometer survey showed deep-rooted differences in views in the various Member States: this means that **solutions based on standardised schemes must be rejected**. More specifically, perceptions **differ widely between the social strata and between people with different levels of education**. Communication strategies should therefore be **targeted** to achieve the maximum effect with the resources used.
- 1.8 It should therefore be stressed that a euro communication strategy is not enough to achieve optimum results: the survey strongly suggests that the euro is very often seen as the symbol of Europe: opposition is not, therefore, aimed the euro itself but rather – in the view of some people – at the very concept of "Europe". Consequently, the euro communication strategy needs to be seen as part of a long-term, broad-based policy whose goal will have been achieved when the public identifies so fully with the concept of "Europe" that euroscepticism loses its hold.
- 1.9 The concept of Europe as a political and social entity as well as an economic entity is, moreover, dependent on gradual achievement of social conditions based on fairness, cooperation and absence of social conflict: this will only be possible if the public can see evidence of **practical action**. No information drive will be successful if these conditions are not put in place.
- 1.10 The main priority for ensuring greater acceptance of the euro would therefore be economic and social policies in the EU to support employment and incomes while providing appropriate social protection systems. This would enable citizens to gain a more tangible appreciation of the European project and consequently to accept the euro.
- 1.11 The EESC is aware of its responsibilities and its role: as the representative of the social partners it is an institution which is close to the public, workers and the business community.

It must **cooperate practically in future initiatives, if necessary with actions on the ground**. Links with similar, national bodies and the work of individual EESC members in respect of their – European and national – trade associations will be particularly useful.

## 2. **Background**

- 2.1 Six years on from the introduction of the euro, the EESC feels it is time to take stock of the impact of the new currency on the public in the countries which adopted it. At first glance, this seems an easy task, given the wealth of literature from innumerable sources: the Commission, the ECB, the EP, universities, research institutes, specialised and non-specialised press, academics and the social partners.
- 2.2 The impression, however, is that most publications on the subject are the result of **unilateral experiences and points of view**, or derive from **conclusions brokered** between different and sometimes conflicting opinions. While this kind of approach observes the rules of democracy, the essence of issues can at times be toned down to suit individual interests and, all too often, clouded by certain attitudes within the individual Member States.
- 2.3 The EESC believes that real progress can only be made if **the situation is approached without preconceptions**: given that the euro is generally deemed to have been an unqualified success, we need to understand **why** it is still **criticised** by greater or lesser sections of the public, **search for the reasons** and, where possible, **propose solutions**. In so doing, the EESC does not claim to be revealing any startling discoveries; much less to want to launch a new public opinion campaign: the aim of this opinion is more modest – to spark **fresh debate** on longstanding, well-known issues.

## 3. **Working methods**

- 3.1 The EESC has taken as a starting point the benefits of the euro, on the basis of results already obtained or the most commonly accepted “official” views; it then discusses these results and views drawn from research on the ground, concluding with its own analysis of the reasons why the new currency has been the subject of criticism or less-than-positive evaluations. Any proposals are, as has been said, intended as a **basis for further discussion**.
- 3.2 The principal document consulted was Flash Barometer No 193, *The eurozone, 5 years after the introduction of euro coins and banknotes – Analytical report*, November 2006. The survey was carried out by the Gallup Organisation, directed by the Commission DG ECFIN’s Eurobarometer Team. Suitably qualified people were interviewed from the last country to join the euro zone in 2007 (Slovenia) and from the countries that have joined in 2008 (Malta and Cyprus). Sources from countries which are not members of the euro zone were deliberately not consulted as it was deemed that only the experiences of those directly concerned were relevant for the purposes of the research being carried out.

3.3 Additional information is provided by the September 2007 Eurobarometer survey<sup>1</sup>, carried out in the new Member States: several useful points emerge from a comparison of *experiences* and *expectations*.

#### 4. **The benefits of the euro, according to results and official views**

4.1 According to Community literature and supporters of the single currency, **the euro has brought a number of benefits**, some of which are listed below. The reasons for this, which by now are well known, are not reproduced, nor are the comments, which are referred to where necessary in the section on public perception.

4.2 The list of benefits (without comments) includes:

- a European identity: the euro is its the main, most tangible driver;
- the euro is an international price comparison tool and boosts competition;
- it eliminates exchange risks and currency transaction costs;
- it is no longer possible to use currency devaluation as a lever for competition measures or to adapt commercial strategies when devaluation seems likely;
- euro zone countries are better protected against external shocks;
- the euro has helped to moderate inflation and interest rates (inflation risk premiums have also played some part in lowering interest rates);
- the euro is a driving force for growth and jobs under the Lisbon Strategy;
- Europe now plays a leading role in monetary policy and the euro has become an established reserve currency;
- the euro is a driving force for stability in the international economy;
- the euro has greatly facilitated and cut the cost of tourism and travelling for work purposes, especially within the euro zone.

4.3 Alongside these benefits, which are rarely discussed apart from some efforts to tone down claims that they apply across the board, are **the benefits of a "strong" currency, which are sometimes disputed**.

4.4 There must be no ambiguity here: a strong currency has **benefits for some and disadvantages for others**, but the important thing is the assessment of its net benefit to the economy: an undoubted advantage of the euro. There is also a desire for a **stable currency**, which the euro is, insofar as it represents a stable, growing economy, despite economic shocks. Its external value depends on events, whose effects can be countered – but certainly not eliminated – by appropriate economic and monetary policy.

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*Introduction of the euro in the new member States*, Flash Eurobarometer 207, the Gallup Organisation, October 2007.

## 5. Public perception of the benefits and disadvantages of the euro

- 5.1 **The euro for cash payments: Seven years on from its introduction**, it is surprising that **41% of those surveyed reported having *some difficulty or a lot of difficulty in using the euro***; this percentage is decreasing but remains significant. The survey does not specify the nature of these problems, but it is fair to assume that this **negative attitude is more emotional** than rational, given that a large majority (ranging from 93% to 63% depending on the country) reports having no problems in recognising euro coins and banknotes. It is likely that those saying they encounter difficulties are largely the same – sometimes socially disadvantaged – people that did not welcome the advent of the single currency. In any case, it is hard to reconcile, statistically, the responses on difficulties encountered with those on usage.
- 5.1.1 These doubts are reinforced when a comparison is made with the September 2007 survey of the new Member States (NMS): approximately three quarters of those respondents had seen euro banknotes and coins and 44% *had used them*. It is hard to fathom how it could be that in the euro area 41% of those with 10 years' experience of the currency claim to have difficulties, when this is not the case in the NMS, where 44% are using it (or have used it), without raising any problems.
- 5.1.2 Communication campaigns alone would not bring about a change in attitudes of this kind: if, as it seems, any difficulties are relatively minor, or minimal, the required course of action should be **targeted national measures**. Education, rather than communication would thus be the key here. But if it is ultimately found that the difficulties that are claimed are merely the camouflaged expression of an aversion to all things *European*, specific measures will have no effect. A change in attitudes towards the euro will go hand in hand with a gradual acceptance of the European idea.
- 5.2 **The euro as a benchmark for price calculations and a factor in spending habits**: One element anticipated from day one was that for a long time to come some people (the proportion varying from country to country) would **continue to think in their old national currency**. The survey has confirmed this prediction: when calculating prices, around 40% of consumers still use their previous national currency as a benchmark – always or sometimes – for both everyday and exceptional purchases.
- 5.2.1 In terms of spending habits, the percentage of respondents reporting that the euro had a deterrent or incentive effect on their spending remains high (59%); but the proportion viewing the **single currency as a neutral factor** is gradually increasing (from 31% in 2003 to 41% in 2007). At the same time, there has been a decrease in the percentage of those stating that they buy less out of fear of spending too much (from 39% to 33%) while, conversely, the proportion of those who spend more because they do not realise how much they have spent has remained consistent (26% to 25%).

- 5.2.2 The two aspects considered – reference to previous national currencies and the euro as a *neutral* factor – are not necessarily related, nor is there any reason to believe that the **two matching percentages (around 40%)** refer to the same group.
- 5.3 The usefulness of dual price displays and consumer preferences: Two halves of the national samples were asked two different questions: whether it is useful to have dual price displays and whether people would like this to be continued. This produced corresponding answers: a **significant majority** (around 60%) **did not consider this either useful or necessary\_after completion of an appropriate transition period**. It should be noted that the percentage against dual price displays has risen steadily over time: a clear sign that the single currency is becoming (or has become, if we interpret it more positively) ingrained in people's daily lives.
- 5.3.1 The responses given on dual price displays are not surprising, considering how much time has passed since the introduction of the euro. However, this aspect is of key importance to the **countries that have recently joined the euro area** (Slovenia, Cyprus and Malta) and **those next in line to join** (Baltic States and Slovakia). The Eurobarometer survey of November 2007 shows that fears of price hikes following adoption of the euro are high; experience has shown that **dual price displays can be a useful deterrent** *provided they are accompanied by checks and deterrent measures*. This has not always been the case in the first wave of euro countries. The Commission has recently decreed that dual pricing should be **mandatory for six months but not continue beyond a year**.
- 5.4 **Banknotes and coins:** As regards satisfaction with the current denominations of banknotes and coins, it emerges from the survey that, while no changes seem necessary regarding banknotes, a **significant percentage** of respondents (varying from 80% in Finland and Germany to 33-35% in Ireland and Italy) are in favour of **reducing the range of euro coins**, and specifically **eliminating** the 1- and 2-cent coins, for greater convenience and to simplify payments. On the other hand, the majority fears that the removal of small euro denominations may **lead to a rise in prices:** a widely held fear even in countries where the majority would like the smaller coins removed.
- 5.4.1 Experience has shown that **many cases of retail price increases**, in conjunction with or subsequent to the adoption of the euro, are largely due to the **rounding up** of prices that converted into decimal figures lower than 5. This ploy has been facilitated by a lack of vigilance on the part of the authorities and by those consumers who consider the value of the small coins to be negligible; it has been particularly pronounced in countries whose previous national currency had a low unit value (Italy, for example). The EESC maintains that eliminating the 1- and 2-cent coins is **totally inadvisable:** the *convenience* cited by certain sections of the market must be weighed against the issue of general interest.
- 5.5 Particular attention should be given to the issue of **using the euro when travelling outside the euro area**. An average of over 50% of those who travelled outside the euro area stated that they used the euro, to a greater or lesser extent; however, the percentages vary

considerably from country to country, from 72% of Greeks to 38% of Finns. We can be glad that the euro is welcome in many tourism-oriented countries, thanks to its prestige and number of users.

- 5.5.1 However, on a cautionary note, it would be advisable to **weigh up the convenience** of not having to obtain foreign currency when travelling abroad and the **cost** of using euros: closer inspection shows that in most cases **the euro exchange rate charged by businesses in non-euro countries with "strong" currencies is often much higher than the official rate**. This aspect was not highlighted in the survey, nor raised by the respondents: a clear sign that the cost of changing money is considered secondary or not considered at all.
- 5.6 The chapter on current use of the single currency concludes with the key question: **overall, what is the public perception of the euro? Is it more advantageous or disadvantageous?** Analysing the responses to this question is not only of key importance to **future communication strategies** but requires reflection on EU euro policy and on **relations between national governments and their citizens**.
- 5.6.1 The percentage of citizens viewing **the adoption of the euro as advantageous** was, according to the latest survey, **48%**: a **considerable drop** since the September 2002 survey (59%), but even more significant – and worrying – is the steady downward trend over time. While a small stable percentage perceives no change since the introduction of the euro (7-8%) there is a steady **increase in those with the opposite opinion** (from 29 to **38%**).
- 5.6.2 In the breakdown per country of **positive perceptions**, the highest percentages are found in Ireland (75%), Finland (65%) and Luxembourg (64%), i.e. countries enjoying considerable economic growth; **negative perceptions** prevail, however, in Italy (48%), Greece (46%) and Germany (44%); with France just above average (51%). We should be **cautious** about establishing a direct **correlation** between a **positive perception of the euro and economic growth**. While indeed it is true that the more positive countries include those with good growth and vice versa (Italy and Greece), it is also the case that the two largest euro area countries, Germany and France, have positive growth and relatively negative perceptions.
- 5.6.2.1 The EESC believes that this question is the **crux of the entire survey**: as already touched on at paragraph 5.1.1, there is a need to explore whether, or to what extent, there is a **correlation between satisfaction with the euro as a currency and acceptance of the EU; there could also be a correlation with economic conditions**, which may, simplistically, be identified with the euro. In other words, it is possible there is an **emotional or ideological element** involved in people's perceptions of the euro as a currency, which has nothing to do with the currency per se.
- 5.6.3 Modest economic growth has many causes, often overlapping and interrelated, including, inter alia, and apart from those currency-related (inflation, exchange and interest rates), productivity, competitiveness, wage levels, spending, the balance of payments, industrial



relations and public deficit. This is a complex issue, the subject of debate among politicians, economists and the social partners; the average person, however, **tends to simplify matters**, focusing on a tangible element of key relevance to their daily life, i.e. their money.

- 5.6.4 There is a tendency among specialists to blame weak economic growth on **monetary policy**, which some researchers and political parties see as guilty of failing to resist rising exchange rates and to lend adequate support to growth and employment by a careful adjustment of interest rates. This is not the right place for opening a debate on the matter, but here once again public opinion perceives the euro as being at the root of the problem.
- 5.6.5 Criticism of the euro, particularly evident in low-growth countries, also pertains, to a certain extent in **countries with higher growth rates**; there, however, opposition is accentuated by the fact that before its introduction, certain sections of the public were **reluctant to abandon their own strong and prestigious currency** – for them, a symbol of prestige and of their national identity. Moreover, these reasons are still cited in countries that have opted out of the euro.
- 5.7 The **analysis of the positive perceptions** of the euro clearly proves the validity of the argument outlined in paragraphs 5.6.3 and 5.6.4<sup>2</sup>. The most positive categories are those that all socio-demographic analysis deems most informed: men more so than women, the self-employed and clerical workers more than manual workers and the unemployed, young people more than older people, urban dwellers more than rural dwellers, those with educational qualifications more than those with low levels of education. **More information increases one's critical faculties and maturity.**
- 5.7.1 It would be too easy to think that communication alone can overcome the dislike of the euro, but every decision must, however, be assessed in the light of each country's individual situation. There are countries where information is all too effective, but often with a critical slant: political parties and sometimes governments have a preponderant influence on public opinion. The result is not disinformation, but communication based on convictions that must, for democratic reasons, be respected. On the other hand, however, a clear impression exists that **the "pro" majority should put up a determined, robust and more explicit defence of the euro.**
- 5.7.2 However, a campaign in support of the euro based primarily on political, economic or monetary factors would probably have little impact on public opinion: greater consensus could be reached by bearing in mind and highlighting the **practical aspects closer to people's needs**. This kind of communication is certainly **the most suited to being absorbed** by the public: it regards everyday life, without the need to refer to abstract principles. In other words, **a simple** – but not simplistic – **approach is needed**. Official bodies are the least

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In the absence of a specific socio-demographic analysis per country, it is not possible to expand on the argument in paragraph 5.6.4.

suited to this kind of communication campaign. It would be far better to entrust this – after briefing them on the issue – to the **business community and the social partners**, which are nearer the public and would certainly be more persuasive.

- 5.7.3 If we look at the practical advantages cited, the principal one is easier and less costly **travel abroad** (particularly in the euro area, but also in non-euro countries); then there is the fact that it is easier to **compare prices**<sup>3</sup>. It is this *plus point*, and particularly the lack of foreign exchange fees and price certainty, that can be flagged by tourism bodies, estate agencies, the tourism industry in general and issuers of payment cards. The financial sector has a key role here: the most recent developments in the area of fund transfers (SEPA) have made payments in the euro area just as secure, fast and free of charge as domestic transfers. However, supervisory authorities will need to be **extremely vigilant** to ensure rigorous compliance with the rules on the part of the financial sector.
- 5.7.4 Less clear, a priori, is the emphasis on the third reason (in order of importance) cited by the euro supporters, i.e. **Europe's reinforced status**; this more general and theoretical argument is part of a broad drive of a general nature.
- 5.8 Looking at the **criticisms of the euro** is even more interesting. The vast majority of people (81% in 2006 and steadily rising) consider it **responsible for price increases**. This attitude dates back to even before the euro came into circulation, when there were already fears that suppliers of goods and services – and particularly shops – would profit from the conversion of their national currency by rounding prices up or increasing them illegally. The Commission reassured people that this would not happen; governments did their bit by promoting agreements with business; consumer associations advised vigilance.
- 5.8.1 What then happened in practice is part of recent history: in some countries the agreements were respected (and the EESC feels that Austria deserves a mention as a fine example), in others less so and in others still, hardly at all. This is not the time or place to start a blame game, suffice to say that **in many countries price increases coincided exactly with the introduction of the euro**. Hence the public feeling that the price increases were *generated* by the euro, a feeling which still remains and is becoming more ingrained in the absence of any **communication efforts to present the issue fairly**: i.e. that while certain people have taken the opportunity to profit from the euro, it remains an inherently *neutral* instrument. There has been no attempt at a communication effort of this kind, or where there has, it has been rather half-hearted.
- 5.8.2 The increases that have occurred since then have nothing to do with the euro: once it was introduced and bedded down, **the currency reflected rather than caused market trends**. Any talk of **inflation, exchange rates, or speculation is irrelevant here**: these **would have affected all of the individual national currencies anyway**, perhaps to an even greater extent

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This reason, cited by 30% of respondents probably relates to national markets, but can be extended by analogy to the euro area.

than has happened with the euro. This point – and the one made in the previous paragraph – must be **clarified once and for all**. This argument, which is the key to combating the scepticism and negativity which still surround the euro, needs to be debated and become the spearhead of a **communication drive** involving the social partners, governments and the Commission.

5.8.3 Another argument, which has some connection with the previous one, is that of **price convergence**, i.e. the assertion that **the euro has contributed to tangible price convergence across the euro area** as a result of the competition that would be established between the euro countries as well as pressure from consumers, who would finally be able to compare prices. This issue was an element of the campaign preceding the launch of the euro, and was one of its selling points. The campaign was in any case likely to arouse unrealistic expectations: it did not in fact indicate the **limits of convergence**. It was not pointed out that **convergence would not affect locally-produced and consumed goods and services**: in other words, the part of spending that is by far the greatest and most directly perceptible to consumers.

5.8.4 The survey appears to bear this out: 68% of the sample feels that the euro has not contributed to price convergence (45% plus 23% "don't knows"). 32% state the opposite. Crucial information is however lacking from this part of the survey: there is no indication of whether the replies are of an intuitive, emotive type, or based on direct experience (travel abroad, cross-border purchases). In the communication drive there will be a need to **scale down the expectations attached to price convergence, explaining why its scope is limited**. It would also be helpful to emphasise that non-existent or weak convergence in sectors other than "local" goods and services is the result of factors entirely unconnected with the single currency, such as the law of supply and demand, transport costs, or taxation. In brief, the euro has contributed to price convergence wherever possible, but price differentials continue to exist, as is the case in the United States, a country which has always had a single currency.

## 6. **Political aspects**

6.1 The vast majority (75%) of respondents believe the euro plays an important role as an **international currency**, but a much lower percentage is interested in the exchange rate, although they generally have some idea about the growing strength of the euro against the dollar. On the other hand an almost identical, or slightly higher, percentage (78%) maintain that the euro has **had no effect (either positive or negative) on their sense of being European**. The breakdown of answers per country provides food for thought, and a little puzzlement: the countries where the euro is perceived to be important to a European identity are Ireland (56%), followed at some distance by Italy (28%) and Luxembourg (19%); the lowest percentages are to be found in the Netherlands, Greece, Germany and Austria (10-14%).

- 6.1.1 One possible explanation, though valid for only some countries, lies in the fact that among those in which the euro is seen as having a more positive impact on European identity is Italy, whose previous national currency had experienced serious fluctuations, while among those having a less favourable opinion is Germany, a country with pride in its old strong and stable currency. As regards other countries, various reasons and perceptions may come into play: disinformation, indifference and less support for the idea of **Europe as the issuer of a major currency**. This last point seems to be borne out by a rather surprising fact: in all countries, including those with a favourable opinion of the euro, a large majority of the sample report that the euro has had **no impact on the perception of a European identity**.
- 6.1.2 We need to recognise that, some years after its introduction and despite having proven its worth internationally, the euro does not seem to have made any significant progress in carving out a role as an **element and symbol of European identity**. As this involves feelings based on a wide range of individual perceptions, one cannot envisage specific campaigns on this aimed at changing public opinion: the turnaround will have to be effected gradually by **removing the underlying causes** of those feelings. In other words, the euro will become a symbol of European identity only when people feel convinced that they are *European*.
- 6.2 There are grounds for optimism with regard to the question of whether people expected to see the **enlargement of the euro area to include the new Member States**: around 80% considered it certain or probable, with a majority across all countries. The EESC sees this reply as a **sign of confidence in the euro's power of attraction**. Such attraction would not exist if the euro was *really* considered to be politically weak and bringing negative consequences in its wake.

## 7. **Coordination of economic policies and the Stability Pact**

- 7.1 These issues, which are at the core of the debate and are more abstract in nature, should be dealt with separately. The EESC has for its part dedicated many opinions to this subject, and may return to it in the near future. For now, it suffices to point out that about half of the respondents were aware that **economic policies are coordinated across the Member States**, but the majority of them feel that the coordination **does not receive enough attention**. The per-country analysis shows, however, that there are significant variations between the countries in terms of both levels of knowledge and resulting opinions. The respondents showed striking objectivity in their assessments of **their own country's economy**: people whose country's economy is performing well are aware of this, and conversely, people from countries with more economic difficulties are not slow to admit this.
- 7.2 With regard to the **Stability Pact**, levels of knowledge and national differences seem more or less to mirror those regarding economic policies; three quarters of respondents, however, agree that the **Stability Pact guarantees a strong and stable euro**. It is symptomatic that the highest percentages of those who disagree come from the countries that are most conscious of price increases, implicitly attributing them to the euro.

- 7.3 According to the survey, then, there seems to be a widespread feeling that **a country's economic conditions and price trends (sometimes positive) can be attributed to the euro**, and this is done from each particular (national) perspective. It is worth pointing out that the overall euro area economy protects the currency from shocks which would affect individual countries to a greater extent; each person should ask themselves where their country would be if the single currency had never existed. What national economy could, by itself, have stood up to the external events that have unfolded in the last few years and which may well hit the world economy once again?
8. **New Member States (NMS)**
- 8.1 It is impossible to cover all the points of analysis concerning the euro countries and the 11 NMS in a single document. The NMS include those who have very recently joined, and others who are likely to join at some point in the future. However, an examination of the replies to some "key" questions of the September 2007 survey may provide some useful food for thought on future policies to accept the single currency.
- 8.2 The question on the **consequences at national level of adopting the euro** revealed that 53% of citizens considered them to be positive, compared with 33% negative and 15% "don't knows"<sup>4</sup>. The question on **the adoption of the euro in general** threw up a broadly similar average result. In both cases, the percentage of "fors" and "againsts" varied widely from country to country, with the "againsts" ranging from 55% in Latvia to 18% in Romania; the negative attitude is generally more marked in countries with smaller populations.
- 8.2.1 Comparing these data with those concerning the euro countries (see point 5.6) shows that the latter have a lower rate of "positives". The EESC is unsure what to make of this fact which, if accurate, should probably be ascribed more to overall dissatisfaction with the EU than to specific dislike of the single currency (see point 5.6.2).
- 8.3 The unknown of the greatest importance in the eyes of consumers is the **impact of introducing the euro on prices**: three quarters of those interviewed feared price rises, while 11% thought the effect of the euro would be neutral and 6% expected prices to fall. This should be compared with the figures for the eurozone countries (see point 5.1), where more than 80% blame price rises on the single currency; the conclusion might well be that experience bears out the fears of those who have not yet adopted it. But this would be a simplistic and misleading argument: **price increases have occurred – and are continuing to occur – in all European countries and around the world**. It would be interesting to carry out a survey in other countries to see what reasons are given for prices rises where there is no euro.

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<sup>4</sup> The total of more than 100 is due to rounding up.

- 8.4 The replies to the question on **the positive effects of adopting the euro** show that the vast majority of the interview sample expect the single currency to be a convenient way of paying for travel abroad, to make it easier to shop in other countries, to facilitate price comparisons and to eliminate currency exchange costs; a smaller percentage considers that the euro will shield their country from international crises. All these **expectations match the advantages perceived** by those who have already adopted the euro, evidence – even to the fiercest critics – that expectations have not been disappointed.
- 8.5 For issues of less immediate impact, replies are less clearly positive, with a high rate of "don't know": this is a clear sign that **citizens are more cautious, or do not reply at all, regarding issues of less immediate impact**. Seen in this light, the results are highly positive: 66% consider that the euro will strengthen Europe's position in the world, and roughly half that it will bring price stability, boost growth and employment and will ensure sound public finances. Replies to the question on lower interest rates were, in contrast, less clear-cut: only a third gave a positive reply, with the remaining two thirds being shared equally between the negatives and the undecided.
- 8.6 **The key question of "political" import concerns perception of the euro as a factor in making people feel more European**. 53% of the sample replied in the affirmative and 35% in the negative: this is in itself reassuring, and is all the more so considering that in 2004, only 47% of replies were positive and 45% negative. Comparing these figures with the result of the **survey in the eurozone countries** (see point 6.1) raises questions: more than three quarters of the latter stated that **the euro has had no effect on how European they feel**.
9. **Conclusions**
- 9.1 The Eurobarometer surveys are valuable in that they gauge citizens' attitudes toward the euro and see how they evolve over time: assessments may vary from time to time on individual aspects, but **one-off measures** to correct certain trends could prove inadequate – if not counter-productive – if **the overall political value** of an operation which an authoritative politician has presciently called "**euro diplomacy**" is overlooked.
- 9.2 A substantial section of public opinion – in both the euro countries and the NMS – unarguably harbours **strong reservations about the single currency**, but the impression arising from the general tone of replies to the individual questions is that negative responses very often mask **resistance to the European venture**. In other words, **the euro as such is not being challenged, but rather what it represents in the eyes of the public**: a political creation that, if not actively opposed, has not been taken on board, and has taken the form of a currency imposed "from above".
- 9.3 The sources of anti-European feeling – and towards the euro, as the practical expression of the European ideal – are complex. One such source is the presence in every country of **political movements and mass media which oppose the European project**, in spite of

official government positions. Not infrequently, **governments** themselves defend inevitably unpopular measures by placing the blame on the single currency or its basic rules. It is difficult to gauge how far such attitudes are genuinely due to negative feelings or to mere opportunism, but the outcome is that **no "European" policy can be implemented unless it is assimilated by those exercising power**: governments, political parties and the media.

- 9.4 **Organised civil society has a crucial role to play in this strategy**: it is a **cross-cutting element** that has the advantage of being in direct contact with citizens. It can exercise **bottom-up pressure on centres of power** simultaneously with **top-down pressure on citizens**: an ideal yet highly responsible position, which can be fruitful only if **unity of intent** is achieved, above and beyond political positions or national loyalties. **The EESC is the only European institution that meets these requirements** and is thoroughly committed to playing its role of cooperation with the Commission and the Member States' social partners to the full.
- 9.5 There is no shortage of arguments that can be deployed in a campaign to bring the euro, and with it the European idea, closer to citizens: the economic weight of the eurozone, investments from around the world in the single currency, and its progressive adoption as a reserve currency, a buffer against financial turbulence, price stability and its contribution to maintaining purchasing power. Objections can be countered with a question: **everyone should ask themselves what would have happened in their own country if their national currency had been left alone face-to-face with past, present and likely future crises.**
- 9.6 The main priority for ensuring greater acceptance of the euro would in any case be economic and social policies in the EU to support employment and incomes while providing appropriate social protection systems. This would enable citizens to gain a more tangible appreciation of the European project and consequently to accept the euro.

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