Europe - an economic super power?

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A survey of the views and expectations of the future of a united Europe

Nuremberg/Frankfurt, 24 January 2003 - Europe will continue to expand and in future will be able to measure up to the USA, at least in terms of the economy. According to the results of a representative "Future of Europe" survey carried out by GfK Ad Hoc Research Worldwide on behalf of The Wall Street Journal Europe in the in the European Union countries, the USA and Russia, this is the opinion held by one in two people in these countries.

People in the European Union and the USA have surprisingly similar views when it comes to the economic and military development of the European Union over the next 20 years. Around one in three of the respondents in Europe and the USA believes that Europe will catch up with the USA in eco-nomic terms, but that it will still lag behind in the military sector. However, a quarter of those surveyed in both Europe and the USA fear that Europe will fall further behind the US. One in five Europeans feels that Europe will evolve in every sense into a super power as the US is today, while this opinion was shared by only one in seven Americans.

Friendly rivalry

On the subject of how relations will develop between the USA and Europe in the future, nearly half of the European respondents believed that the relation-ship will be as it is today - friendly with a touch of rivalry. Only one in five citizens in Europe and the USA think that the relationship will deteriorate in the future. Conversely, one in five respondents in Europe and the US held the opposite opinion, believing that the relations between America and Europe in times of peace would improve.

The European Community will continue to grow, but Germans remain sceptical

More than two fifths of EU citizens believe that the European Union will com-prise more countries in 20 years' time. Although they also think that the power struggles between Brussels and the national governments will be the order of the day, they are not expecting any fundamental constitutional changes. However, critical voices are to be heard in both Europe and the USA and around eight per cent of Europeans and Americans believe that the Euro-pean Union will revert to individual states and that the Euro will not survive as a currency.

The number of sceptics is highest in Germany, where 15 per cent of German respondents anticipate that the European Union will weaken over the next 20 years and a further 8 per cent expect it to break up completely and the Euro to fail. Scandinavians, on the other hand, represent the voice of optimism and positive comments on the future of Europe are to be heard from Danes, Finns and Swedes.

Not all countries are equally welcome

If you ask Europeans which countries they would allow to join the European Union when economic and political progress permitted, their preferred candi-dates are Hungary, Poland and the Czech Republic. Around two thirds of Europeans would agree to their integration. 49 per cent would accept the Bal-tic countries, 41 per cent Romania and 38 per cent Russia and Turkey. Bottom of the list with 32 per cent are those in favour of the Balkans, and at 27 per cent the North African states of Morocco and Tunisia. Germans have a much more distant attitude to potential additional members of the European Union than other Europeans. The majority (60 per cent) would only agree to mem-bership for Hungary. Almost one in two Germans would agree to Poland and the Czech Republic joining. Only 30 per cent spoke in favour of integrating Turkey and only 20 per cent for including Romania, Russia, Albania, Mace-donia or Yugoslavia. Only 10 per cent of Germans are in favour of integrating the North African countries.

On the whole, high earners and younger people are more in favour of expand-ing the European Union. Women are less receptive to the idea of including more states than men.

Continuity of the economy and social systems

In answer to the question of how the economic and social systems will fare in Europe over the next 20 years, around one in three Europeans think that nothing will change. Almost as many Europeans believe that the European Union will produce more regulations, particularly with regard to employment protection and general welfare benefits. Overall, the opinion profile of the Germans differs from that of other Europeans, as they are more likely to be-lieve (44 per cent) that the economic and social systems will remain un-changed. Conversely, fewer Germans expect more in the way of regulations on employment protection and welfare benefits. More than any other nation they believe that Europe is on the way to becoming a society run on American lines. Around one in four Germans believes this, while the figure is one in six for the rest of Europe.

The survey

The focus of the "Future of Europe" survey is how Europeans and Americans see the future of Europe. A total of 18,822 people in 17 countries were sur-veyed by GfK Ad Hoc Research Worldwide on behalf of The Wall Street Jour-nal Europe. The present survey comprises interviews with people in the USA, Russia and Portugal for the first time.

The GfK Group

The GfK Group ranks number 6 among international market research organi-zations and is set to achieve sales of EUR 568 million under US GAAP for fi-nancial year 2002 (previous year: EUR 506 million under US GAAP pro forma accounts) in its four business divisions, Consumer Tracking, Non-Food Track-ing, Media and Ad Hoc Research. In addition to 16 German subsidiaries, the company has over 110 subsidiaries and affiliates located in 50 countries. Of a current total of approximately 4,800 employees, about 1,450 are based in Germany. For further information, visit our website: www.gfk.com.

The Wall Street Journal Europe (www.wsj.com)

The Wall Street Journal Europe was established in 1983 and its current daily circulation in Brussels amounts to 100,769 copies (ABC January to June 2002) - this corresponds to circulation growth of nearly 20 per cent since January 2000. The WSJE has over 70 editors in Europe, the Middle East and Africa. As part of Dow Jones & Company, the newspaper also has access to the Dow Jones network, which, with around 1,700 journalists, is the largest network of business and financial journalists worldwide.

A strategic alliance has existed between The Wall Street Journal Europe and the Handelsblatt, Germany's leading financial newspaper, since 1999. The cooperation involves the exchange of information and articles. In addition, an investment programme to the tune of US$ 60 million was set up for The Wall Street Journal Europe, as a result of which the paper has had a new, more colourful layout and been extended since February 2000 to include a new "Networking" feature, which reports on New Economy matters. The Wall Street Journal Europe is currently produced at six printing locations in Ger-many, Belgium, Italy, the UK, Switzerland and Spain, and distributed in over 50 countries in the region.

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