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EVA ATTITUDE AND VALUE SURVEY 2014

– 20 years of EU membership:
Finns' opinions remain fairly positive

Summary of Key Findings

EXECUTIVE SUMMARY

- Finns' attitudes towards the EU and the euro are still more favourable than the long-term average
- Support for possible NATO membership before the crisis in Ukraine was at the long-term average, 18% in favour, 51% against
- Finns call for the government to begin taking actions to implement structural reforms

Although support for EU membership has declined slightly from last year, Finns' attitudes towards EU membership have remained fairly positive. Four out of ten (42%) respondents relate positively towards EU membership, one third (31%) neutrally and one fourth (24%) negatively. As in last year, every second Finn supports the euro.

Information was gathered at the beginning of 2014, before the escalation of the crisis in Ukraine. Thus, any possible changes in attitudes towards the EU or NATO do not appear in the results. Only less than a fifth (18%) think that Finland should join NATO. Half (51%) oppose membership.

EVA's 2014 value and attitude survey also investigated the Finns' perceptions of the need for structural reforms. The results indicate that they want their country to carry out reforms faster. Half (50%) think that Finland is currently undergoing one of the most critical periods of its history. Three out of four (75%) think that Finland is currently living too much on debt and as a result will still run into difficulties.

All these results become clear from the fresh attitude and value survey of the Finnish Business and Policy Forum EVA.

The report *Neljäs Suomi* was published 24th march 2014 and is part of the series of EVA's attitude and value surveys, started in 1984. It has been written by Research Manager Ilkka Haavisto from EVA. The following summary includes a few of the main results selected from the wide-ranging study. The report (in Finnish) can be read in its entirety on EVA's website www.eva.fi.

26.3.2014

Attitudes toward EU membership have returned to normal

Finns voted in favour of EU membership twenty years ago. The most interesting years of membership have been, besides the first few years, the last few years. In recent years, the EU has been the centre of debate in all member countries, including Finland. The atmosphere was electrified by the euro crisis just before the 2011 Parliamentary elections. The debate, sometimes marked by very harsh criticism, encouraged citizens to take a stand and led to a major shift in attitudes towards EU membership to the more positive direction (Figure 1). Last year, however, the figures dipped back closer to the long-term averages.

Four in ten have positive attitudes towards EU membership

Now the figures have levelled off moderately and returned back to a level that reflects only slightly more positive perceptions than during the period of membership on average. More than four in ten (42%) have positive attitudes towards EU membership, three in ten (31%) are neutral and a quarter (24%) are negative.

The attitudes of different demographic groups tend to reflect traditional patterns and change surprisingly little from year to year (Figure 2). The most positive attitudes toward memberships are clearly prevalent in the proponents of the National Coalition Party and the Swedish People's Party of Finland while negative attitudes are most common amongst the supporters of the Finns Party.

The persistence of Finns' attitudes toward EU membership is reflected in the finding that if a referendum on Finland's EU membership were held now, we would still get the same result as the referendum twenty years ago. Slightly less than half (47%) would vote yes and just over a third no (34%) (Figure 3). Because only the votes given are counted, the result would be 58-42 in favour of membership, which is almost the same as in the referendum in the autumn of 1994.

Also membership supporters criticise the EU

Finns' attitudes towards our country's EU membership are therefore very stable and historically speaking, on a positive foundation. But even if the membership itself is regarded primarily as a good thing, it does not mean that the EU and its activities are not subject to harsh criticism.

Figure 1. ATTITUDES TOWARDS FINLAND'S EU MEMBERSHIP (%).

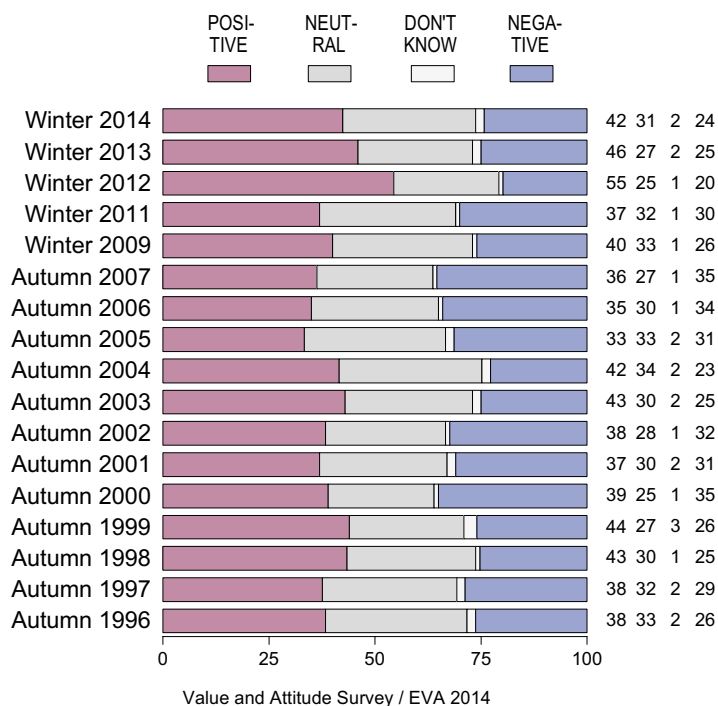


Figure 2. ATTITUDES TOWARDS FINLAND'S EU MEMBERSHIP (%).

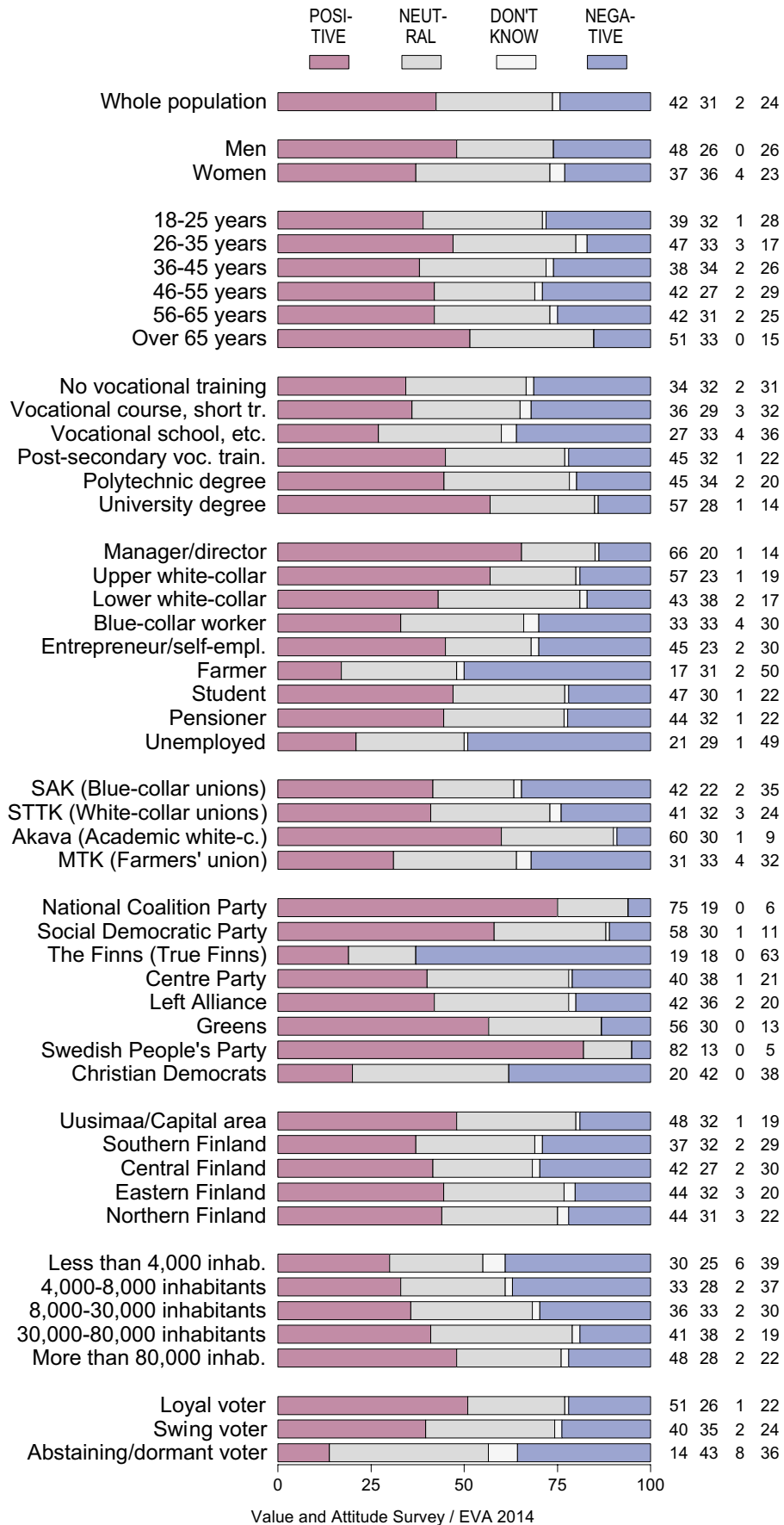
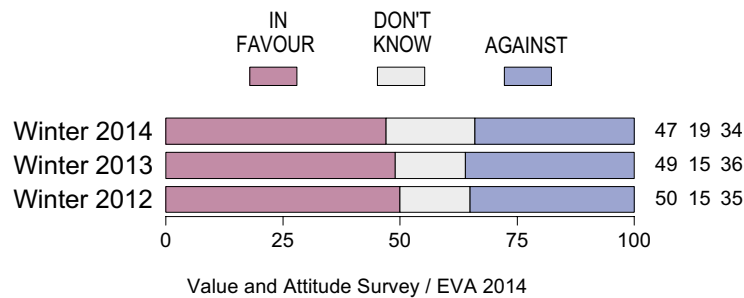


Figure 3. IF THE REFERENDUM ON FINLAND'S EU MEMBERSHIP WERE HELD NOW, WOULD YOU BE IN FAVOUR OF MEMBERSHIP OR AGAINST IT? (%).



Only one in ten (11%) say that their own attitude towards the EU has become more positive in recent years (Figure 4). Four in ten (39%), have not changed their attitude and almost half (46%) indicate that their own attitude has become more critical.

The distribution of the responses is a little more critical than two years ago. The variation in attitudes across different demographic groups follows the logic of attitudes toward membership: groups that have negative attitudes toward membership are also the sharpest in their criticism (Figure 5).

A critical view on the EU's activities does not automatically mean a negative attitude towards membership

Eight out of ten of these persons (79%) say that their attitude towards the EU has become more critical. Of those who responded positively toward membership, one-quarter (26%) indicate their stance has become more critical of the EU.

Attitudes towards the EU have thus become increasingly complex. Although a critical attitude toward EU membership usually means a critical attitude towards the activities of the EU, the causality no longer necessarily works the other way around: a critical view on the EU's activities does not automatically mean a negative attitude towards membership.

Finland's influence in the EU is deemed to have waned

Then what accounts for attitudes toward membership returning to normal? The euro crisis has certainly started to ease slightly, but Finland's own economic stagnation has also changed the circumstances.

Finland is no longer the class valedictorian, teaching other countries how to keep public finances in immaculate condition. The European Commission considers the forecasts for Finnish economic growth to be among the grimmest in all of Europe.

Figure 4. HAS YOUR ATTITUDE TOWARDS THE EU BECOME MORE FAVOURABLE OR MORE CRITICAL IN RECENT YEARS? (%).

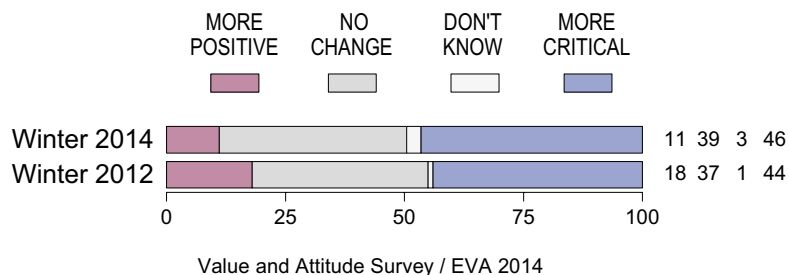
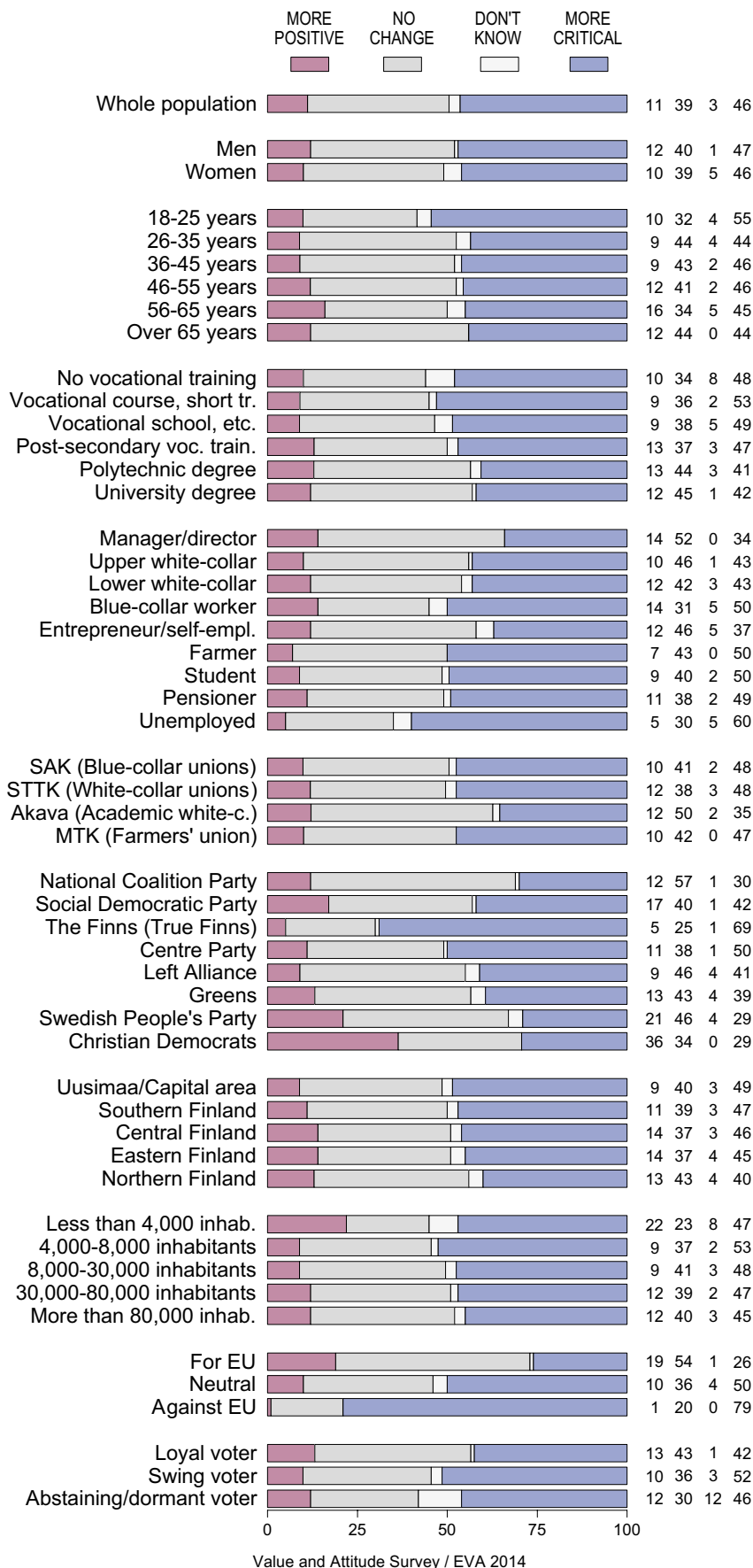


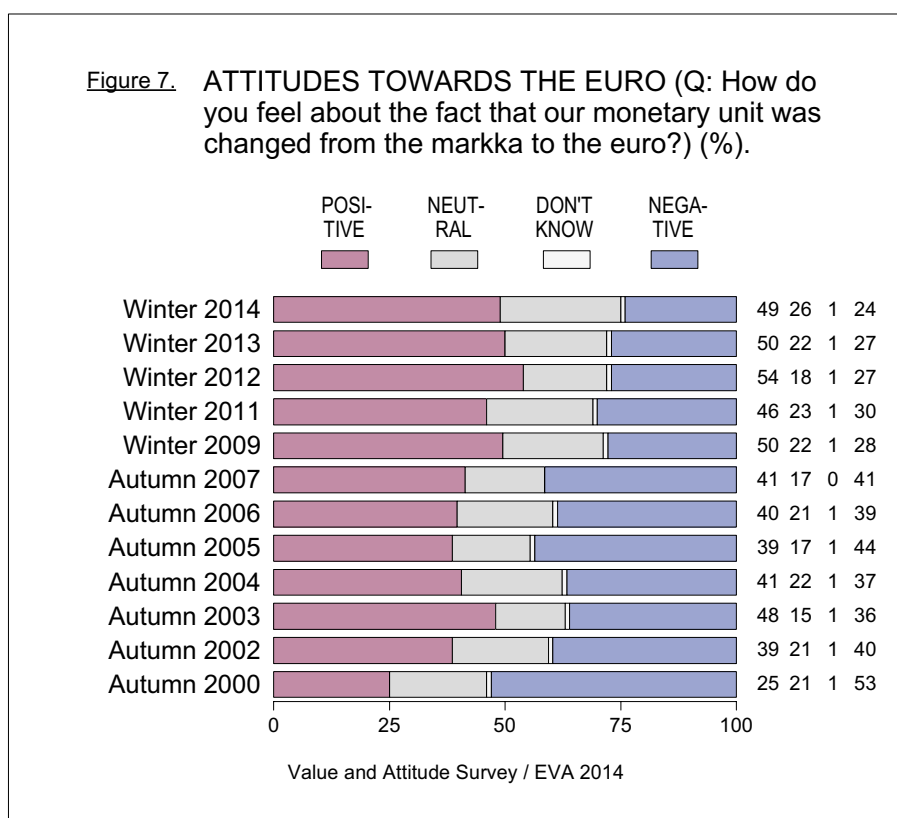
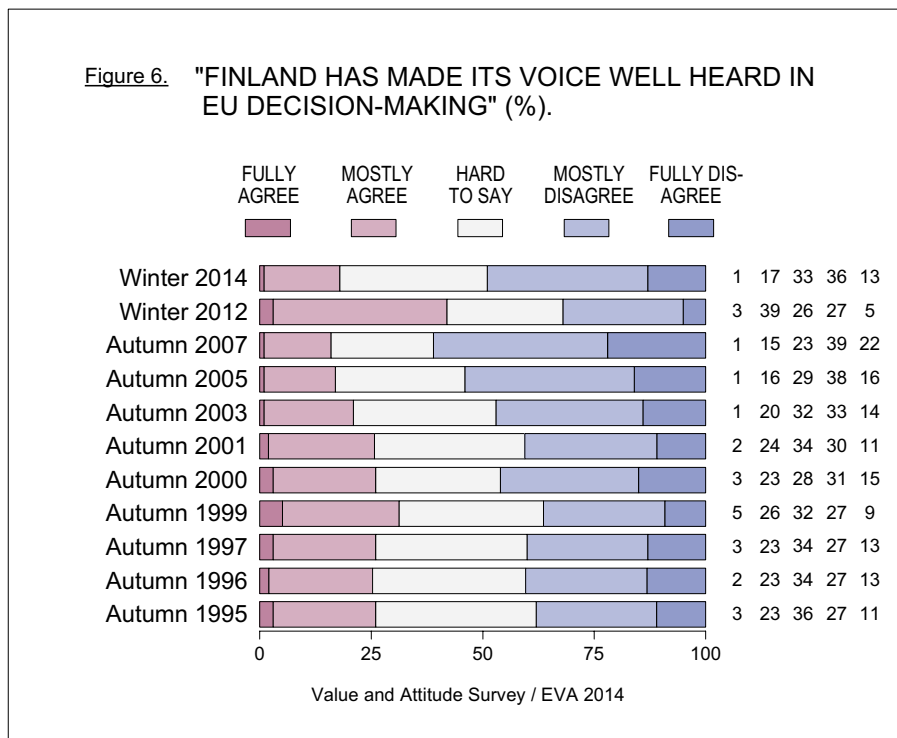
Figure 5. HAS YOUR ATTITUDE TOWARDS THE EU BECOME MORE FAVOURABLE OR MORE CRITICAL IN RECENT YEARS? (%).



This was not the case only a couple of years ago. Finland's position as a master of sound public finances doctrine peaked in autumn of 2011 when Finland was the only euro country that demanded collateral in exchange for loans to Greece. The exceptional situation was reflected in an exceptional result in EVA's attitude and value study: A large share of the respondents was

of the opinion that Finland had made its voice well heard in EU decision-making.

However, this would prove to be a passing phase. Now, nearly one out of five (18%) estimates that Finland has been well heard in EU decision-making, but one half (49%) rejects this view (**Figure 6**). The figures are very close to estimates from about ten years ago.



Euro popularity still solid

In recent years, Finns have supported the common currency, the euro, despite the crisis in the euro zone. A steep rise in the popularity of the euro took place in 2009 as the economic crisis began and popularity has also remained strong thereafter. The euro has been seen as a safe haven in the midst of the economic crisis. Criticism of the euro crisis and its management has fo-

The euro has been a safe haven in the midst of the economic crisis

Currently, one in two respondents (49%) have a positive attitude towards the euro, one fourth (26%) are neutral and another fourth (24%) are negative (Figure 7). The distribution of the responses is widely the same as a year ago. In a long-term comparison the results are rather euro-positive.

Supporters of political parties are distributed in a similar way as in recent years, meaning that the views of the National Coalition Party, the Swedish People's Party of Finland, the Social Democrats and the Greens of Finland are strongly euro-positive (Figure 8). Supporters of the Left Alliance, the Centre Party and especially the Christian Democrats are slightly more critical. The Finns Party, however, make up the only distinctly euro-critical group. The relatively wide popularity of the euro is probably attributable to its positive "user experience". The currency's external value has been stable, inflation has been subdued and interest rates have remained low. These factors have, for the time being, outweighed the widely criticised bailouts.

Euro usefulness under scrutiny

The euro has indeed generally functioned very well as a currency. But how do Finns see its usefulness right now? The Finnish economy is at the moment dragging behind in a recession. A small dose of a devaluation of the euro would be good for Finnish exports.

Four out of ten (38%) are of the opinion that the euro and EMU-membership are beneficial to Finland in the current economic situation, but equally many (37%) see the euro as a burden. One tenth (11%) estimate that the euro is neither an advantage nor a disadvantage (Figure 9).

Views on the benefits of the euro have changed to be slightly more pessimistic from the last couple of sur-

veys. They are now at the level of 2011. The time series also shows that the share of those seeing the euro as detrimental in current circumstances jumped to its current level in the 2011 survey. This twenty percentage point share can be regarded as a consequence of the euro crisis on Finns' views on the usefulness of the euro.

Before the crisis in Ukraine: NATO membership not deemed topical

Only a scant fifth (18%) feel that Finland should join NATO (Figure 10). However, one half (51%) oppose the idea of membership. The atmosphere towards NATO, after having been even more critical than usual in recent years, has nevertheless eased slightly and figures have returned very close to their long-term (15 years) averages.

Demographic views seem to be etched in stone, as well as the differences between them (Figure 11). The majority says no to NATO membership in almost all demographic groups except among voters of the National Coalition Party. The possible membership is like a red rag to a bull for left wing party supporters. Opposition also gradually increases while moving towards those in the weakest socioeconomic situations.

One half oppose the idea of NATO membership

While interpreting the results it should be noted that the data was compiled in early 2014 before the crisis in Ukraine escalated and before Russia invaded the Crimean peninsula. Therefore the possible effects of the escalation of the crisis on the support for NATO membership in Finland do not appear in the figures.

Attitudes towards Russia becoming more critical already before crisis

The same caveat applies to the question relating to Finns' attitudes towards Russia. In the beginning of the year slightly less than one half (48%) felt that even though Russia has its problems, Finns have no reason to have a negative attitude towards its large neighbour (Figure 12). About three in ten (28%) felt, however, that Finns have reason to stay on their toes.

Finns' answers closely reflect the situation in Russia and its actions. This can be deduced from the elevator-like movement of the responses to the statement over a series of time, which signifies that attitudes to-

Figure 8. ATTITUDES TOWARDS THE EURO (%).

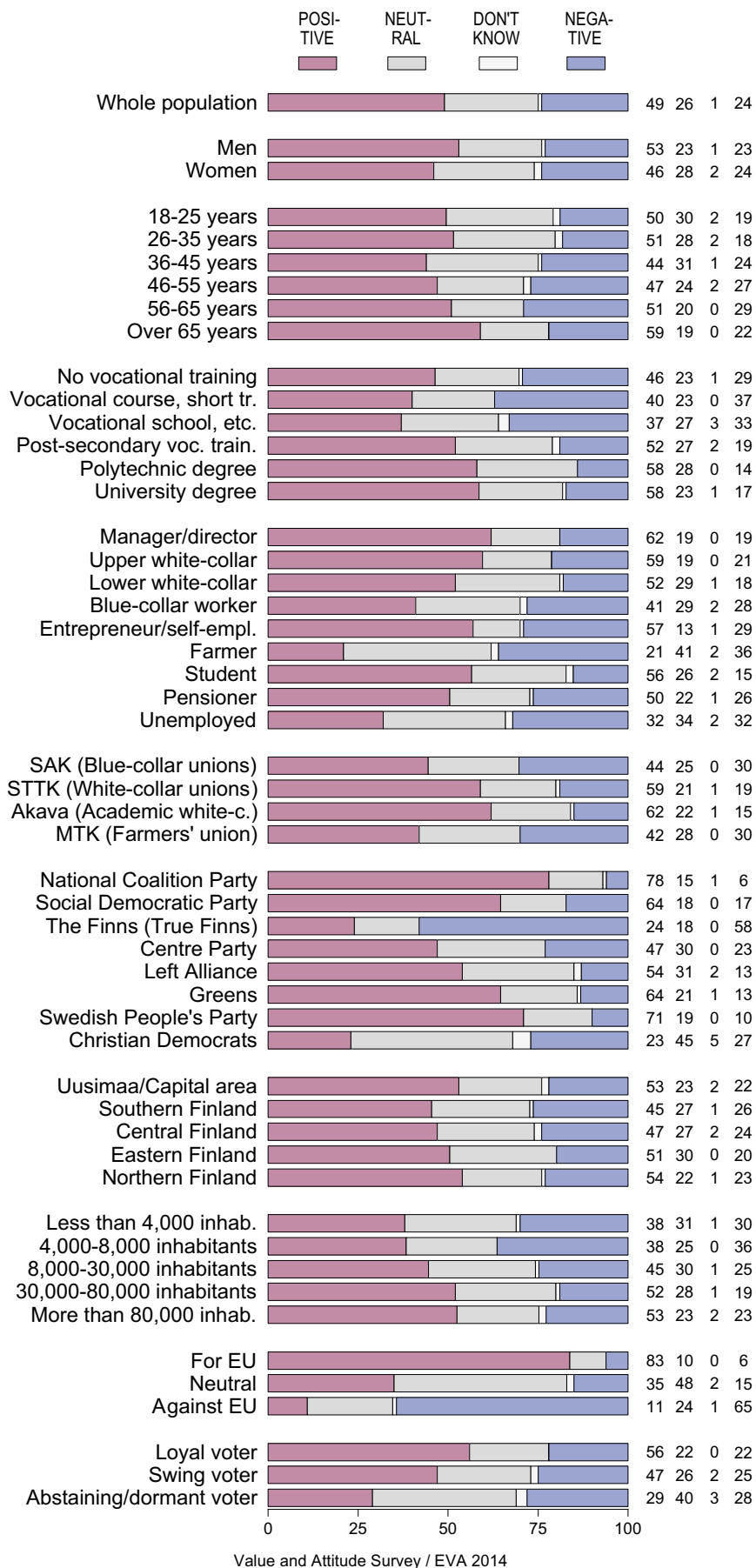


Figure 9. IS THE EURO AND EMU MEMBERSHIP AN ADVANTAGE OR DISADVANTAGE FOR FINLAND IN THE CURRENT ECONOMIC SITUATION? (%)

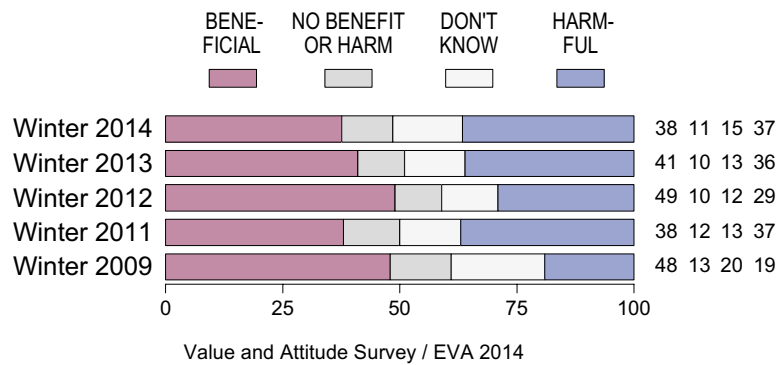
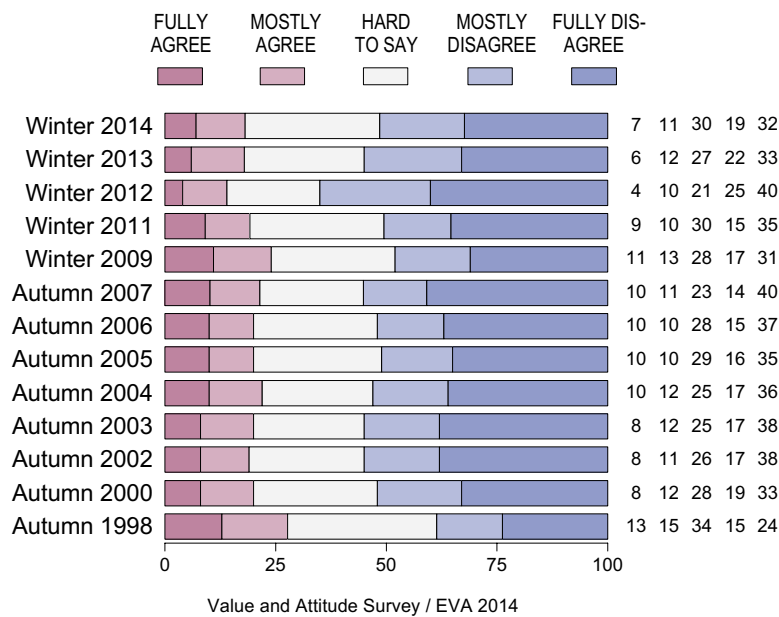


Figure 10. "FINLAND SHOULD JOIN NATO" (%)



wards Russia are rather quick to change according to the current situation. This year attitudes shifted in a more negative direction compared to the previous year even without the crisis in Ukraine.

What else besides following Russia's movements is the leading light of Finnish foreign policy and security policy? EU membership could be one naturally, but the Union's foreign policy is still in its infancy and it really has no security policy.

Many EU countries co-operate closely with the United States, but Finns would rather distance themselves from what the Americans are doing. Only a few (8%) feel that Finland should give its support to the United States' global policies. A clear majority (62%) disagree with that notion (**Figure 13**). Surveys conducted during President Obama's term offer significantly less negative results. Decreased negativity has not, however, materialized as support, but rather only as increased uncertainty.

Figure 11. "FINLAND SHOULD JOIN NATO" (%).

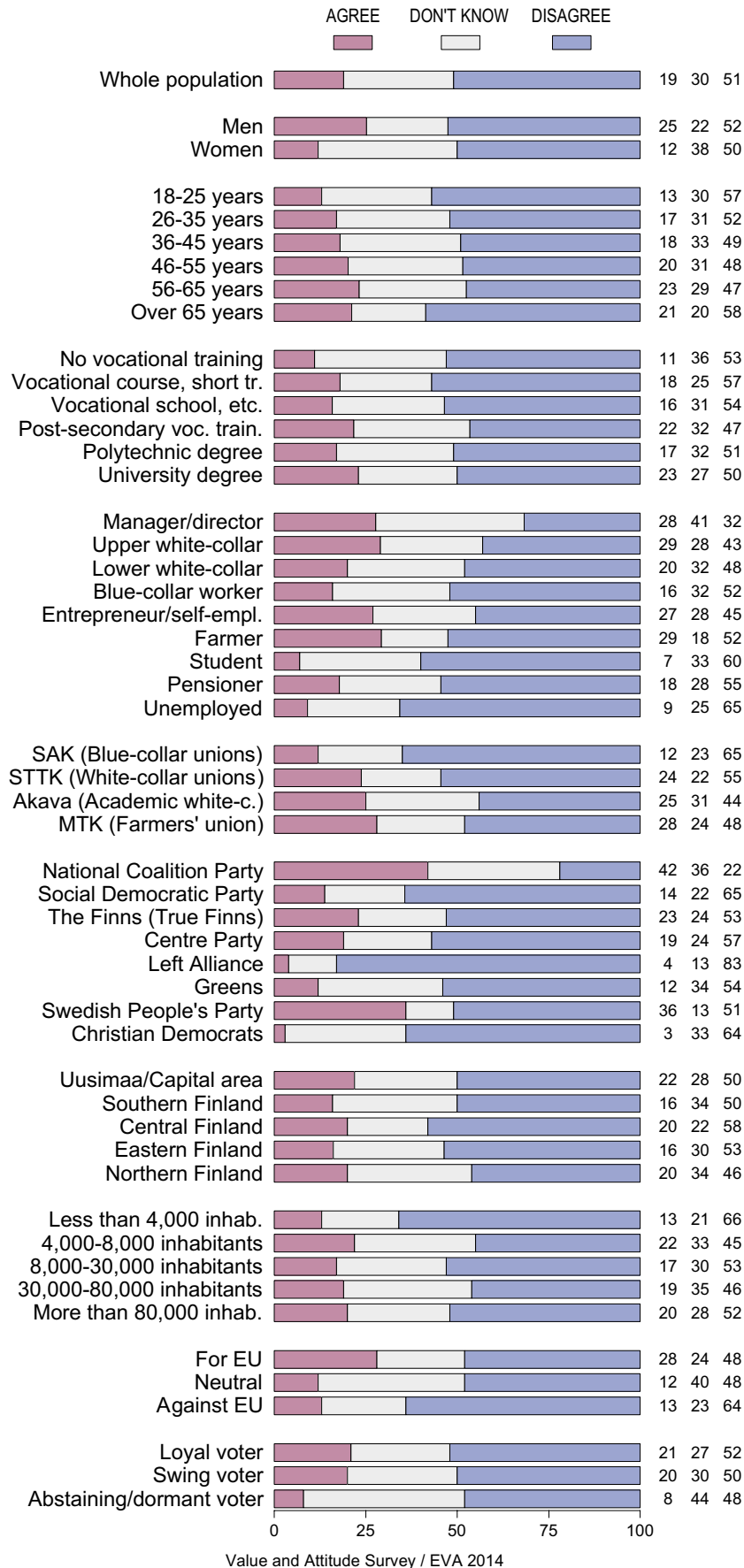


Figure 12. "WHILE RUSSIA HAS ITS PROBLEMS, THERE IS NO REASON FOR FINNS TO HAVE A NEGATIVE ATTITUDE TOWARDS OUR LARGE NEIGHBOUR" (%).

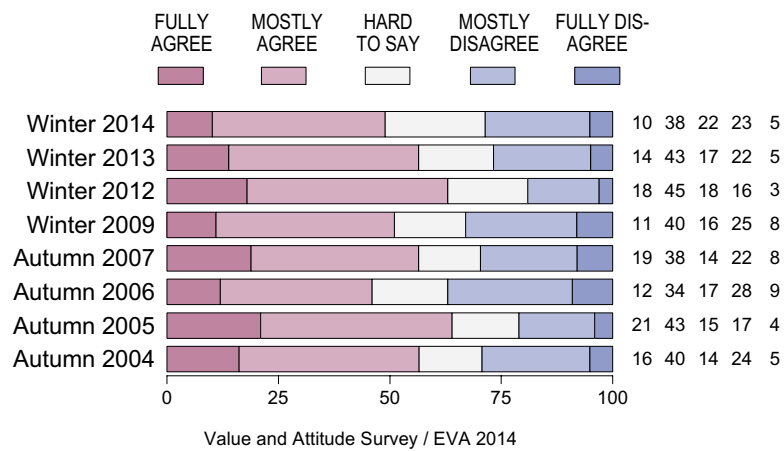
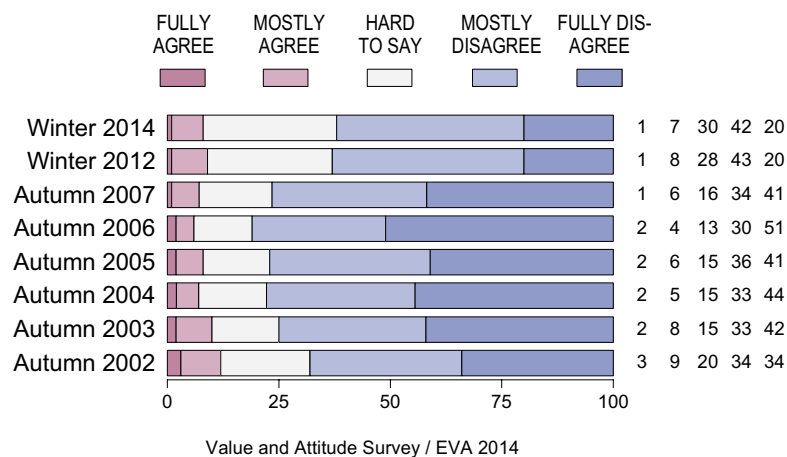


Figure 13. "THE UNITED STATES' ACTIONS IN WORLD POLITICS ARE CORRECT AND ALSO DESERVE THE SUPPORT OF FINNS" (%).

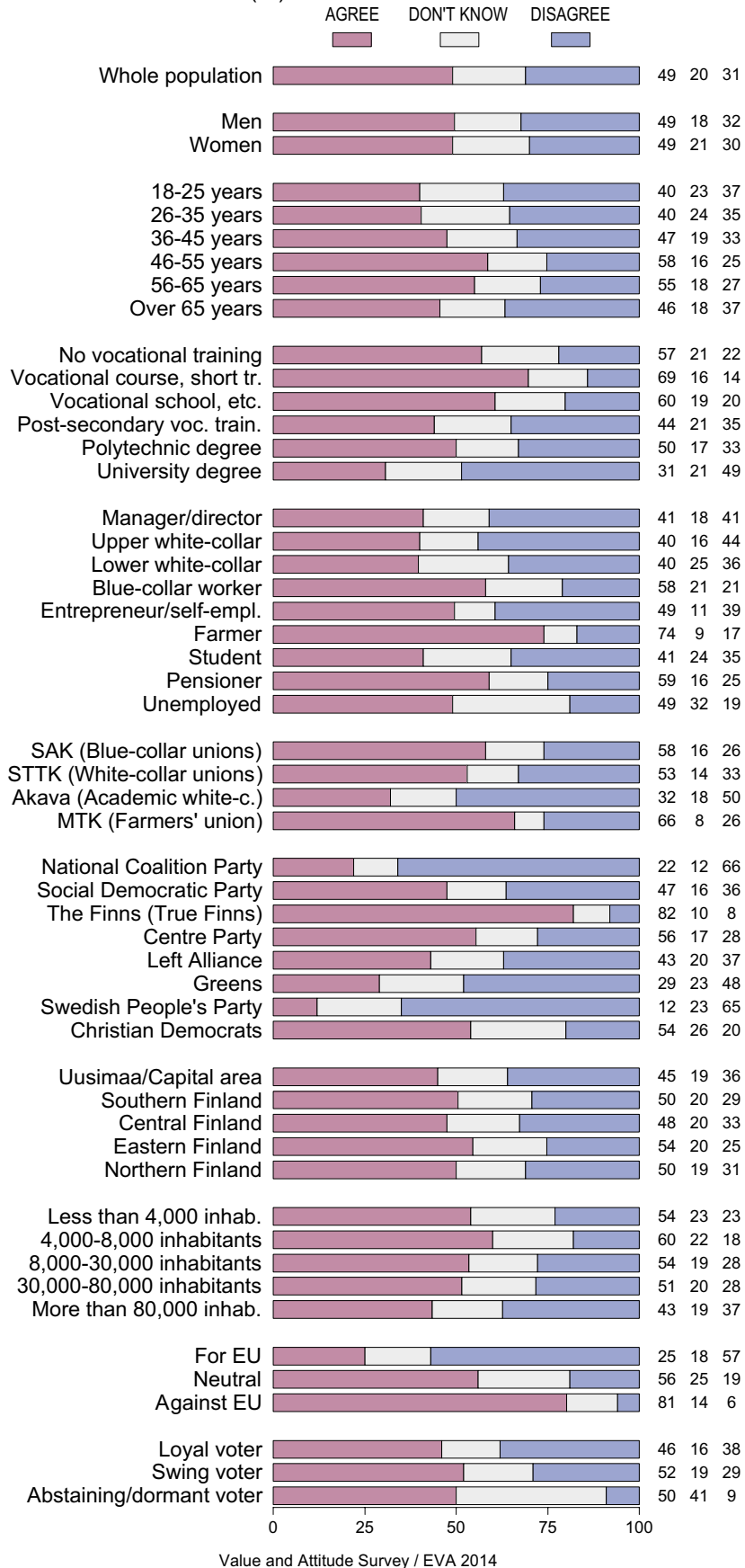


Flirting with isolation

Could Finland turn its back on the global economy and return to the time before EU membership? A rather widespread nostalgic idea of being able to do this is present in Finns' attitudes. One in two (49%) believe that Finland went along too far with globalization and in the future it should return towards a more domestic-oriented economy and policy (Figure 14). This thesis is rejected by a much smaller group, three in ten (31%).

"New nationalism" would be especially appealing to the middle-aged, less educated working population and farmers. In the political field this yearning is strong especially among supporters of the Finns Party, but a clear majority of Centre Party and Christian Democrat voters would also initiate the reversal of globalization. The thesis is most powerfully rejected by academically educated respondents and voters of National Coalition Party or the Swedish Peoples' Party of Finland.

Figure 14. "FINLAND HAS GONE TOO FAR IN GLOBALIZATION; IN FUTURE OUR COUNTRY SHOULD RETURN TO A MORE DOMESTIC-ORIENTED ECONOMY AND POLICY " (%).



It should be remembered that the question is highly hypothetical: it is not clear how such a turnaround could be achieved. It is nevertheless a fact that quite a few Finns are interested in the idea of at least partial isolation. But to what extent does the still ongoing poor economic situation feed these sorts of ideas?

Concern about climate change still rather high

Hints could be found by looking at attitudes toward another type of global issue. Two in three (67%) regard climate change as the greatest environmental threat of our time, and in order to prevent it effective measures should be implemented quickly in all countries (Figure 15). Only 15 per cent of Finns believe otherwise, so Finns are in principal rather single-minded when it comes to questions relating to climate change and the need to roll up our sleeves and start working to prevent it.

Concern over climate change has so far not yet recovered, however, from the blow that it received from the economic crisis. Before 2010 the consensus was almost unanimous. After this Finns' focus has been redirected a few steps more towards their own troubles and the willingness to participate in global climate efforts has been almost twenty percentage points lower.

Immigration attitudes have become more negative

Throughout the 1990s and the 2000s the initially rather closed-minded immigration attitudes of Finns had gradually changed from year to year in a more positive direction. In 2009 this development came to a halt temporarily.

Immigration attitudes returned to their previous, slightly less negative track of two years ago, and more or less remained there last year. Now, however, the attitudes show a visible drop once again.

Four in ten (39%) believe that the increasing migration of foreigners to Finland is bringing useful international influences to our country, but only a slightly smaller amount (36%) reject the idea (Figure 16). The share of those agreeing with the statement has dropped significantly and the figures have returned to the level of 2009.

Differences in opinion between different demographic groups are vast, but the issue also divides opinions within different demographic groups (Figure 17). Belief in the cultural benefits of immigration increases in a rather straightforward manner as the level of

Immigration attitudes show a visible drop

Figure 15. "CLIMATE CHANGE IS CURRENTLY THE GREATEST ENVIRONMENTAL THREAT: THERE IS AN URGENT NEED FOR TAKING EFFECTIVE MEASURES IN ALL COUNTRIES TO COMBAT IT" (%).

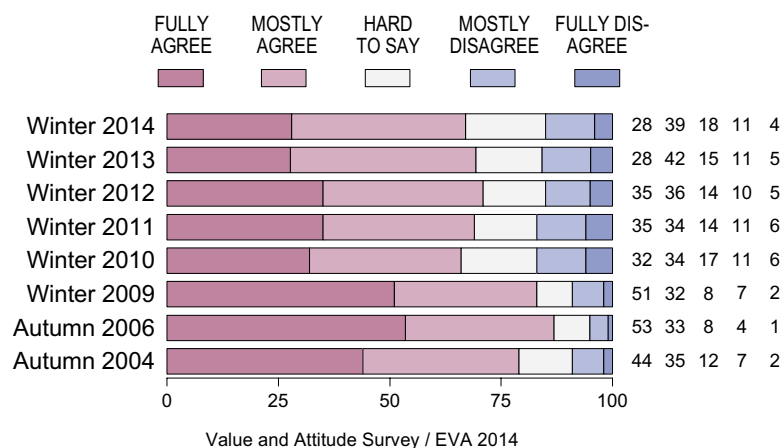
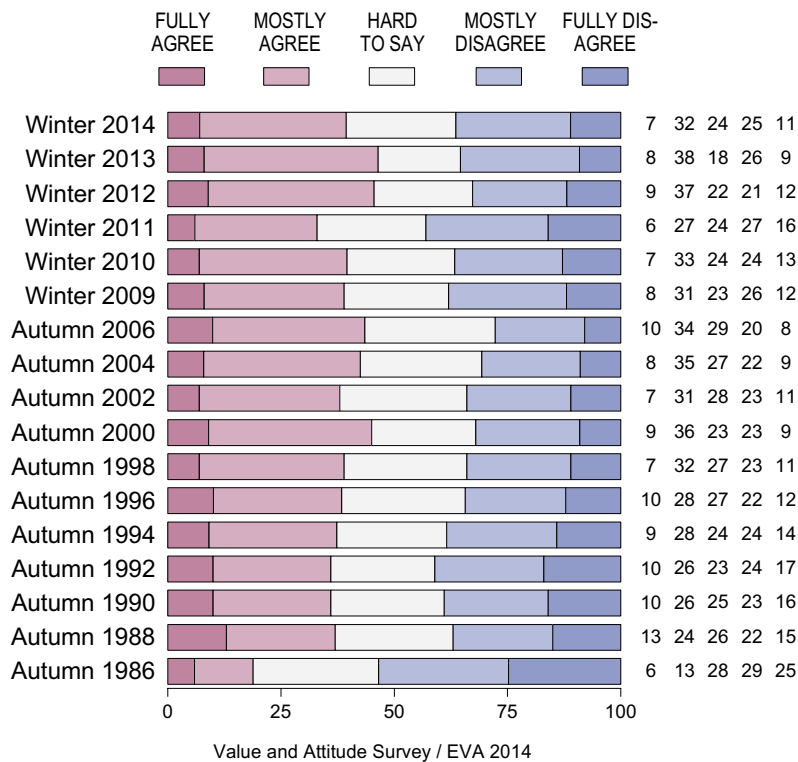


Figure 16. "THE INCREASING MIGRATION OF FOREIGNERS TO FINLAND BRINGS OUR COUNTRY USEFUL INTERNATIONAL INFLUENCES" (%).



education increases and the socio-economic status improves.

In the second indicator the dip is smaller, but on the other hand the figures are initially more negative. Three in ten (29%) would ease the migration of foreigners to our country due to the aging population and the threatening reduction in population, but slightly less than one in two (46%) would not be ready to do so (Figure 18). The results regarding this statement are close to those from 2009.

The result shows that it is typical of Finnish immigration attitudes that even in the demographic groups where immigration is seen as positive culturally, there is not necessarily a willingness to ease the migration of foreigners to Finland.

Although there is visibly a slight dip towards more negative attitudes concerning both questions relating to immigration, it is still far too early to comment on whether a reversal of the trend is taking place. Similar dips have been seen many times before.

Finns demand structural reform

There has been a lot of debate recently in Finland concerning the necessity of economic and social structural reform and the slow progress of reform projects. One in two (50%) feel that Finland is currently going through one of the biggest transition periods of its history (Figure 19). One fifth (22%) rejects this notion. The share of people who believe that this is a pivotal moment of transition has increased by about ten percentage points from the previous year. This means that crisis awareness has increased.

More and more people also believe that things cannot keep going the way they have been going before. A distinct majority, six in ten (58%) believe that if Finland is not able to reform more rapidly, it is going to face a socio-economic crisis (Figure 20).

Crisis awareness has also increased significantly in this respect, by about ten percentage points from a year ago. The necessity of reform is only denied by one in seven (14%). In comparison to the survey of 2004,

Figure 17. "THE INCREASING MIGRATION OF FOREIGNERS TO FINLAND BRINGS OUR COUNTRY USEFUL INTERNATIONAL INFLUENCES" (%).

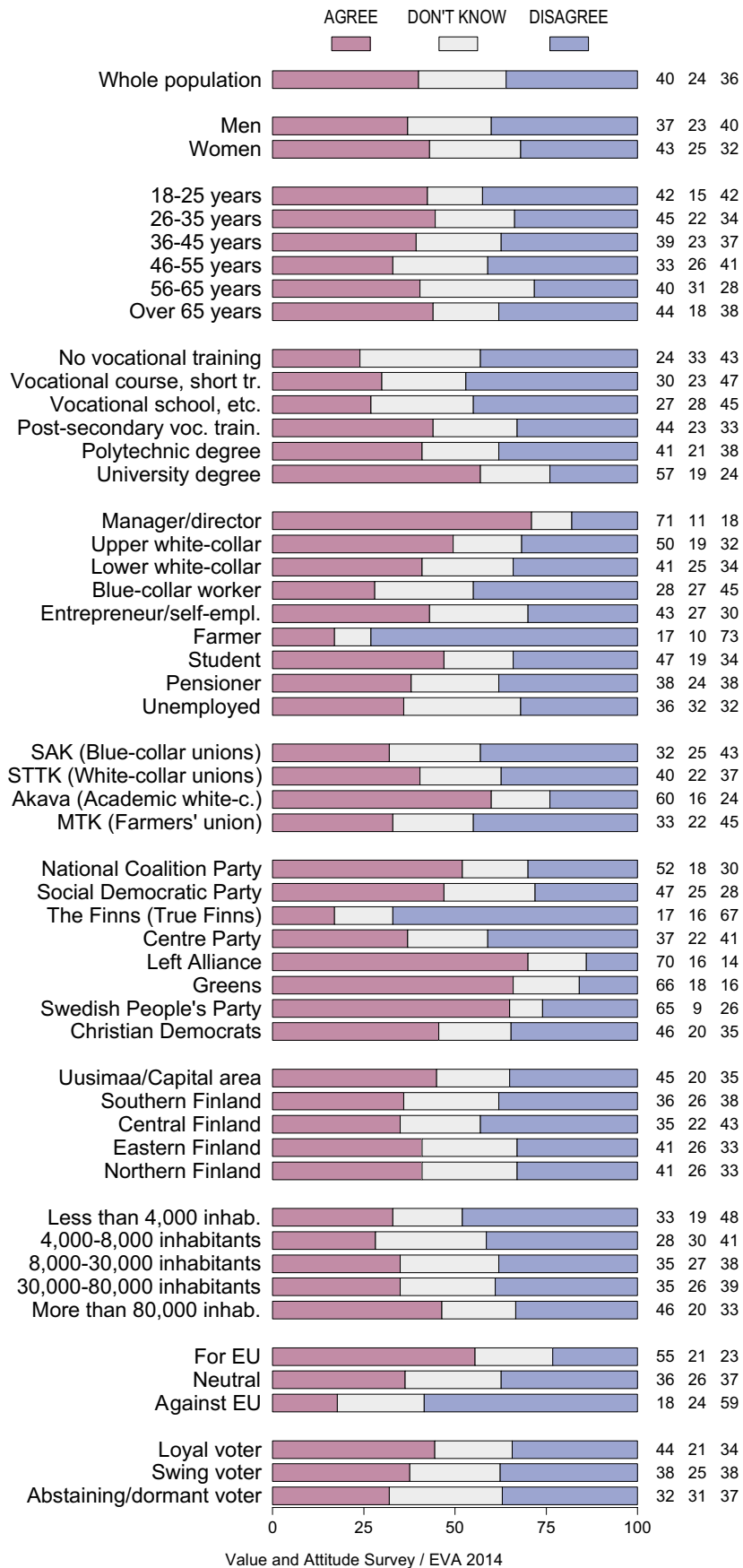


Figure 18. "OUR AGING POPULATION AND THE THREAT OF POPULATION DECLINE REQUIRE THE EASING OF IMMIGRATION TO FINLAND FOR FOREIGNERS TO MIGRATE TO FINLAND" (%)

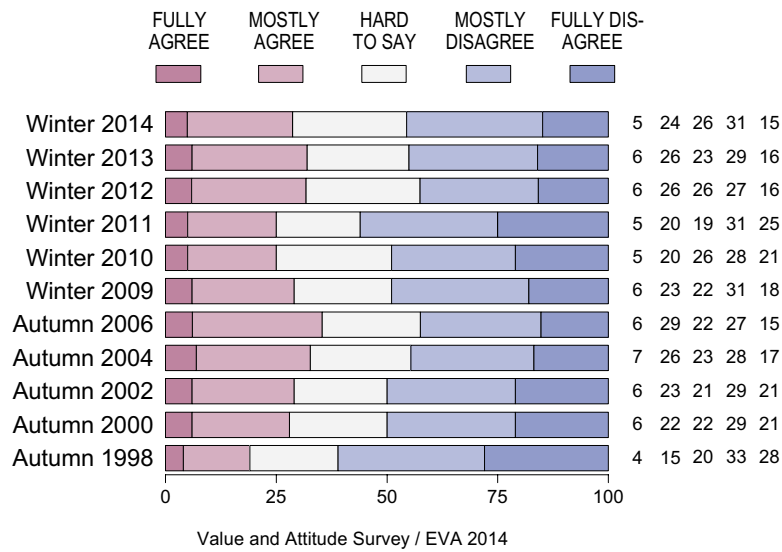
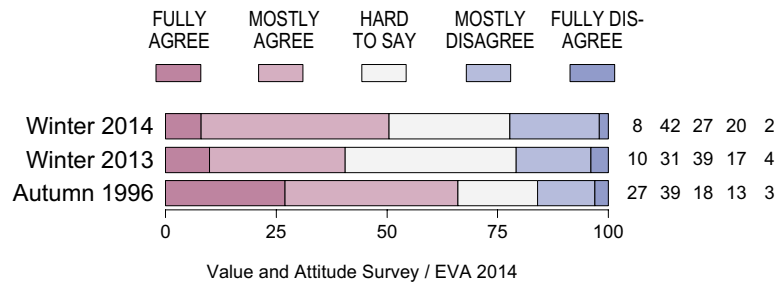


Figure 19. "FINLAND IS CURRENTLY GOING THROUGH ONE OF THE MOST CRITICAL PERIODS OF ITS HISTORY" (%)



support for reform has increased nearly 30 percentage points – we are indeed living in completely different circumstances than 10 years ago.

People also cringe at thought of the increasing debt. Three in four (75%) believe that Finland is taking on too much debt nowadays and will face major problems because of this (Figure 21). Only a small share of respondents rejects the deep concerns relating to the increasing debt.

Finnish government's decision-making criticised

Finland is governed by a six-party coalition, consisting not only of just the right-wing and left-wing, but also conservatives and liberals. Many political commentators have regarded the tensions within the government as too great, hindering effective decision-making.

Figure 20. "IF FINLAND IS NOT ABLE TO REFORM MORE QUICKLY, IN A FEW YEARS WE WILL FACE AN ECONOMIC AND SOCIAL CRISIS" (%).

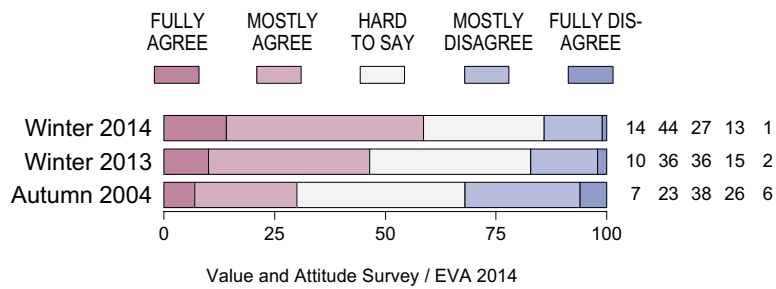
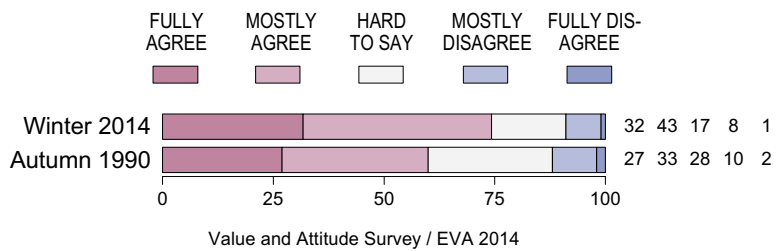


Figure 21. "FINLAND IS CURRENTLY LIVING TOO MUCH ON DEBT AND AS A RESULT WILL EXPERIENCE BIG PROBLEMS" (%).



The current attitude and value survey addressed people's perceptions of what factors explain the slow pace of Finland's structural reforms. Respondents were asked to assess the extent to which 15 assorted issues

or factors account for the slow pace of reforms (Figure 22).

Three out of four believe that sluggishness of reform stems from too broad a coalition government

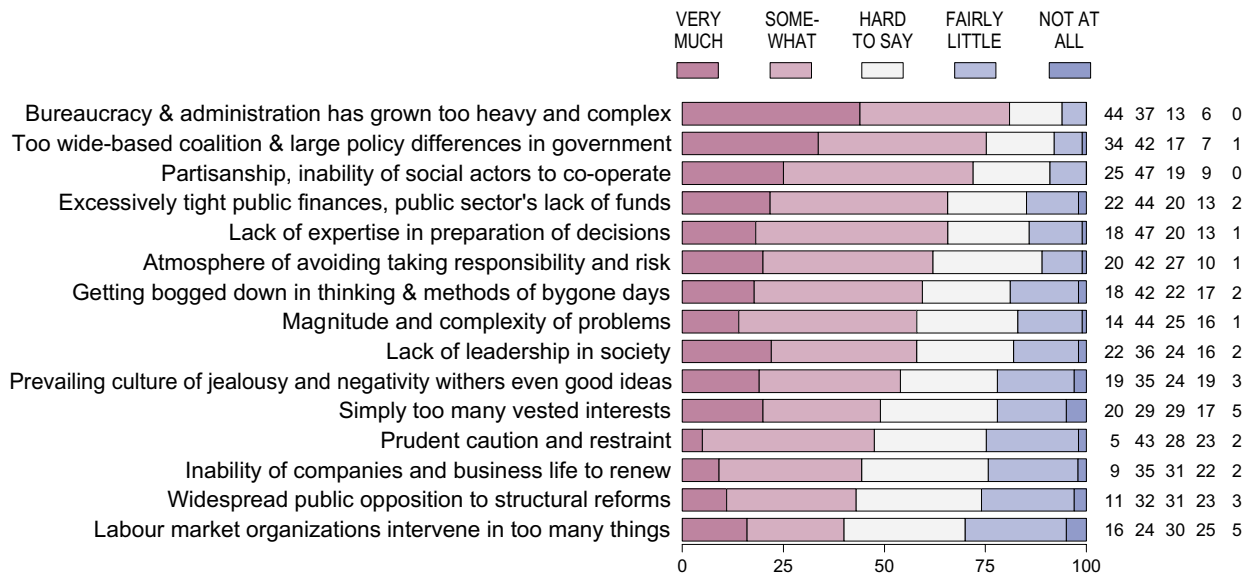
More than anything else, Finns point their fingers at decision-makers. Of the top five factors, each is associated either directly or indirectly with shortcomings in the political-administrative machinery. At least two thirds of the Finns consider these five factors to explain the slowness of reform very much or quite a lot. The greatest disapproval was directed toward bureaucracy and the government, which the vast majority (81%) think has just grown too heavy and complex. The consensus is widespread in all demograph-

ic groups. The notion is rejected by only a marginal group (6%).

Three out of four (76%) of the Finns believe that sluggishness of reform stems from too broad a coalition government and discord within the government. Even supporters of the ruling parties regard the government as too broad-based and quarrelsome. In addition, two out of three (65%) believes that the government has tried to take decisions without sufficient expertise or the expertise available has been utilized poorly. The social climate is also criticized in many ways.

A common feature of the factors ranking on the bottom is that they stem from reasons unrelated to the top political leadership or poor social climate. One-half (49%) believes that the pace of reform is slow because there are simply too many vested interests. More than four in ten (43%) think that the slow pace of reforms stems from the strong opposition from the public.

Figure 22. TO WHAT EXTENT IN YOUR OPINION HAS THE SLOW PACE OF SOCIETAL & STRUCTURAL REFORMS IN FINLAND BEEN ATTRIBUTABLE TO THE FOLLOWING ISSUES? (%).



Value and Attitude Survey / EVA 2014

Background information on the study

The study's findings are based on 2052 person's answers. These data were collected during the period of January 14–30, 2014. Respondents represent the population of the entire country (excluding the Åland Islands) between 18–70 years of age.

The data were collected via Taloustieto Ltd's internet panel. The target group consisted of a panel selected at random from Finnish residents (excluding Åland) 18–70 years of age representative of the population by age, sex, province of residence, education and occupation / status.

The data is weighted to represent the population aged 18–70 according to the respondents' age, gender, residential area, education, occupation / status, industry as well as political affiliation (how they would vote in parliamentary elections).

The confidence interval, i.e. the margin of error, for the data at the aggregate level depending on the shape of the distribution (the obtained percentage share) is 2–3 percentage points in either direction.

As in EVA's previous studies, the statistical analysis of the data was performed by Yhdyskuntatutkimus Oy, which has also compiled the graphs presented in the study.

Additional information

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Finnish Business and Policy Forum

Finnish Business and Policy Forum EVA a pro-market think-tank financed by the Finnish business community. It is also a forum for forward-looking discussion for Finnish business leaders.

EVA's task is to identify and evaluate trends that are important for Finnish companies and the society as a whole. EVA aims to provide current information on prevailing trends as well as bring fresh ideas to public debate. EVA publishes reports, organises debates and publishes policy proposals.

Further information: www.eva.fi

