

## Study “Challenges of Nations” 2018



# A Matter of Concern

What are the most challenging issues currently facing countries? **Ronald Frank** describes the findings of this year’s survey and outlines the challenges that respondents believe their country is facing and the issues that concern them.

In the context of its “Challenges of Nations” study, the GfK Verein has been conducting an annual survey of citizens from a current total of 19 countries on the major challenges facing their country since 2001. The responses to the 2018 survey once again present empirical evidence of how the significance and impact of individual issues in public – and published – perceptions change over time, particularly in times of increasingly widespread “post-factual” opinions.

## International worries

### Unemployment

At 23 percent, concerns regarding the issue of unemployment remain stable in 2018. It is still the number one global concern. Spain is the only country where over half of respondents have expressed concern about this issue. Italy, France, India and South Africa also reflect above-average levels of anxiety here. In general, the level of concern is in line with the actual rate of unemployment in the individual countries. For instance, in South Africa and Spain, the levels of unemployment and of anxiety concerning the issue are both high. Conversely, the official rate of unemployment in India is relatively low, but the population is very worried. Overall, concern about unemployment is the top-ranked challenge in four countries and takes second place in a further three countries.

### Cost of Living

Somewhat fewer people than in the prior year (one in five respondents, to be precise) were skeptical about prices and purchasing power. This was above all evident in developing and emergent economies. In Kenya, Indonesia, Iran and Russia, this issue is ranked in first place, with respondents in India and Brazil equally con-

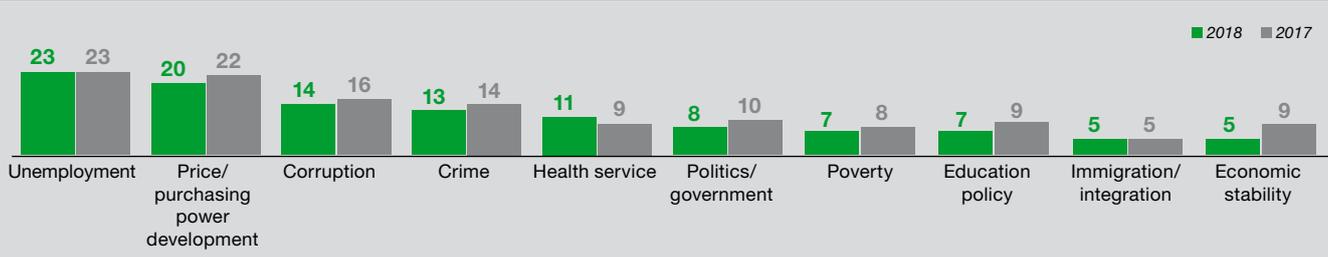
cerned. Most frequently, a strong devaluation of the local currency leading to import-related inflation contributed significantly to driving prices upward. According to the OECD, in 2017 prices rose particularly rapidly in Turkey, Mexico and South Africa, although the local populations there seem less concerned. France and Poland are also above the European average, and here, purchasing power is the key issue.

### Corruption

Concerns about corruption, at 14 percent (2017: 16 percent), take third place. Here, too, a clear connection between the level of concern and the actual situation in the individual countries is evident. Only a few European countries – Russia, Turkey and Italy – are relatively unconcerned about corruption. In these countries, despite the significant level of corruption identified by the Transparency International Corruption Perceptions Index (CPI), the level of concern is only moderate. Conversely, in Spain, where the CPI only ascribes a moderate level of corruption, citizens are considerably more worried than in other nations, particularly in Europe. Only Kenyans are even more concerned and in a CPI comparison of countries surveyed, the country comes off worst.

In a global comparison, a similar proportion of respondents would like to see criminality counteracted more effectively. In 2018, this was cited as a concern by 13 percent, while the equivalent figure for 2017 was 14 percent. The issue is a major concern for Mexicans (57 percent) and South Africans (43 percent), where the issue ranks first in the concerns league table. At an average of nine percent and seven percent respectively, Asia and Europe seem to be suffering less from criminality. The exceptions are Indonesia and Italy, where the levels of concern in both cases are above the average for their continent.

**Nations at a glance – Challenges 2018: Top 10 – summary of all countries\*:**



**Fig. 1** Source: GfK Verein; Base 2018: 23,030 resp. \*country base identical, i.e. Belgium, Austria, Netherlands, Switzerland, Nigeria 2017 excluded; in percent

**Healthcare**

Healthcare comes in fifth place on the list of concerns, having risen by two percentage points to a current level of eleven percent. Here, Brazil (60 percent) is by far and away the most concerned country of those surveyed. Moreover, healthcare policy remains at the top of the league table of worries in the UK (37 percent) and Poland (22 percent). More than a quarter of Kenyans are also concerned about the issue, although the east African country only occupies seventh place on the list.

**Politics**

With a decline to eight percent, the combined issues of politics and government are in sixth place on the international agenda. The populations of Brazil and Kenya are most concerned by politics. The reasons for concern vary internationally from a lack of credibility due to corruption, to criticism levied at the country’s respective political direction and failing governments. The latter was lamented in early spring 2018 by Germans (16 percent). One fifth of US respondents expressed concern on this issue, with a further eight percent skeptical about the current White House incumbent, President Trump.

**Poverty and Education**

Ranked seventh and eighth respectively are the subjects of poverty and education policy, although both issues are displaying a declining trend. Astonishingly, in Germany, one of the wealthiest of the nations surveyed, respondents revealed the highest level of concern with regard to poverty (20 percent). While the issue is ranked third here overall, in all other European countries it does not even make the top ten. In both Mexico and Indonesia, twelve percent expressed uncertainty in each case, while in India, Iran and Kenya, one in ten respondents indicated concern. In a European comparison, Germany again expresses greatest concern with regard to education policy (18 percent), putting this issue in fourth place for German respondents. Only the Brazilians see greater room for improvement in their education system. The highest level of concern (39 percent) was identified in the South American country in this year’s survey. Although one fifth of Kenyan respondents expressed skepticism, the issue of education still did not rank among the top ten challenges here.

**Migration and Integration**

At five percent each, the subjects of migration and integration and the economy are ranked ninth and tenth on the list of global concerns. The issue of migration and integration are particular concerns for Europeans (average of 15 percent) and respondents in

the USA (19 percent). Almost half of Germans, nearly one third of Swedes and one in four Italians worry about these issues. In Asia and Africa, the issue is currently irrelevant.

**Economics**

Overall, the economic situation is regarded less critically. However, it is a greater concern in one Asian country. At 41 percent, South Korean respondents put this issue at the top of their list of concerns. In Iran, where one quarter of the population are concerned about the economy, the issue is in third place.

**Global Key Challenges**

The two key challenges at global level, unemployment and inflation, are both ranked at the top of the list of concerns by four nations. For three countries, healthcare is the most pressing problem and in two countries, the issues of immigration and criminality are top of the list. Alternatively, other states are challenged by different, more specific concerns. For example, Turkey, where terrorism is the major headache for the population and Japan, where – due to demographic developments – family policies and provision for the elderly traditionally play major roles. In South Korea, economic development is the primary concern, whereas for the population of the USA, the main focus of anxiety is criticism of policy development and the government.

**Challenges in Germany**

For Germany, 2017 proved to be a critical year: prior to the parliamentary election in fall 2017, a series of election campaign issues dominated the landscape, which varied according to political shade of opinion and which are currently again reflected in the issues worrying Germans.

**Politics and Government**

After the election, the unusual difficulty in forming a government was at the forefront of concerns. With this in mind, 16 percent of citizens had concerns on the combined issues of politics and government. An increase of seven percentage points puts this issue in fifth place. In addition to the election, the extreme length of time taken to form a government contributed to the level of concern. A total of eight percent of respondents clearly expressed their wish for the formation of an effective government or the conclusion of coalition negotiations. However, in this case, a difference in survey timings should be made, because in the interviews conducted in February

2018, 14 percent of respondents expressed skepticism, whereas in March, the figure had dropped to just two percent. The new cabinet was finally presented on March 8, 2018, six months after the election.

### Immigration and Integration

The issue of immigration was not just present in the run-up to the election. Opinions are clearly polarized on this issue in general: Around 17 percent of Germans expressed negative opinions on immigration, with nine percent in favour of more integration and immigration. A good half of citizens indicated concern about immigration and integration. With this, concerns related to this issue have now declined twice in a row, albeit only slightly. In politics, the debate centered on the upper limit of immigration. The compromise in the new coalition agreement provides for an upper limit on migrants of 220,000 per annum. After 900,000 migrants still arrived in Germany in 2015, in 2017 only around 200,000 initial applications for asylum were received. The decline in numbers is mainly due to the agreement reached between Turkey and the EU and the closure of the Balkan route. While this has put a stop to illegal immigrants, legal immigration to Europe will be supported. In fact, in 2016, around half of all migrants arriving in Germany were legal, that is to say that they arrived from other EU countries.

### Pensions and Provision

In second place on the agenda of concerns is pensions and provision for the elderly, an issue which has risen to 20 percent in 2018. Due to demographic changes, there are increasing numbers of pensioners while there are lower numbers of those in work paying into the system. The coalition agreement provides for the introduction of a statutory pension insurance for self-employed persons. However, there was positive news for pensioners in the short term, with an increase in pensions of 3.2 percent in the west of Germany and 3.4 percent in the east. Pensions in the east and the west parts of Germany should then eventually be on an even keel by 2024.

### Poverty

Closely associated with the subject of pensions are concerns about poverty, which have also doubled to a record value of 20 percent since 2016. Around half of the respondents expressly indicated pensioner poverty as a problem. In January 2018 an announcement by the board of the Essener Tafel (an organization that runs foodbanks) to the effect that they would no longer accept new clients with a foreign passport, because this was causing existing clients to stay away, caused a furor. The uproar triggered a public debate on poverty and social justice.

### Unemployment

In contrast to the concern about poverty, the level of worry associated with unemployment fell to twelve percent. This is in line with the rate of unemployment: According to the OECD, unemployment was running at 3.8 percent in 2017, whereby during the course of 2017, it declined still further to stand at a record low of 3.5 percent in February 2018. Experts are anticipating a contrary effect on the job market for 2018 as a whole, with higher numbers of migrants seeking employment included in the statistics, causing the rate of unemployment to rise back up. Moreover, a lack of skilled labor is becoming evident in several industries such as the manual trades and healthcare, with particular reference to nursing.

### Healthcare

In this regard, nine percent of Germans, of whom six percent for the first time, expressly indicated concern about the lack of nursing care in connection with concerns about elderly care. A further 14 percent is concerned about the healthcare system in general. An increase of nine percentage points suggests that this concern again definitely on the rise. To counteract the problem, an immediate program is to be launched to create 8,000 new jobs in care homes, with pay rises for geriatric care staff and nurses. The plan includes contingencies to improve both healthcare in rural areas and the benefits for members of the national health insurance system.

### Education

Education policy is also regarded with growing skepticism by Germans. The concern factor has risen for the second time in a row to stand at 18 percent, which means that it is ranked fourth in the league table. However, according to the OECD, in an international comparison, Germany is top for MINT subjects (mathematics, information technology, natural sciences and technology), something associated with correspondingly positive career prospects in terms of vocational training and university level education. Yet the 2017 education monitor reveals that across Germany as a whole, the education system has ultimately improved only marginally. Most criticism is levelled at the increasing numbers of foreigners dropping out and the overall reading skills of pupils. ■

## The “Challenges of Nations” Study

These findings are taken from the “Challenges of Nations 2018” study and based on around 23,000 interviews conducted on behalf of the GfK Verein in spring 2018 across 19 countries: Brazil, Germany, France, the UK, India, Indonesia, Iran, Italy, Japan, Kenya, Mexico, Poland, Russia, Sweden, Spain, South Africa, South Korea, Turkey, and the USA. The survey is based on the following open-ended question which is asked every year: “What do you believe are the most pressing challenges that need to be solved today in [respective country]?” There are no restrictions on the responses given by those surveyed, and several issues can be mentioned.

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