

Media Release

Allianz Pulse: French, German and Italians are ready to embrace change

- First edition of the “Allianz Pulse” published, a survey to check the mood in France, Germany and Italy
- Most respondents see the necessity of far-reaching reforms: The Allianz Need for Change Indicator scores above 60 in all three countries
- The social question – i.e. inequality, pensions, jobs, and protection against poverty – is seen as the most pressing problem
- Climate protection is seen as the top priority for the incoming EU commission
- German respondents are split about the euro: 36% see more advantages – but 32% see more disadvantages
- The overwhelming majority of German respondents expect companies to assume social and climate responsibility (68% resp. 73%)

For the first edition of the “Allianz Pulse”, a representative sample of 1000 people in France, Germany and Italy was surveyed about their views on political priorities, reform needs and aspirations.

Reform-minded

Societal developments have gotten off track recently – 46% of German respondents think so, against only 27% who see recent developments in a positive light. In France (59%) and Italy (58%), discontentment is even higher. Thus, the call for more reforms is clearly audible. Allianz captures this longing for reforms by a proprietary “Allianz Need for Change Indicator” (ANCI) which gauges peoples’ desire for change in five dimensions: national and supranational politics, globalization, digitalization/internet and climate change. In Germany, it scores 60.2, very close to the French (62.7) and Italian (61.9) scores and way above the threshold of 50. “This readiness for change in Germany is quite surprising”, said Ludovic Subran, chief economist of Allianz. “After all, two thirds of German respondents assess the current economic situation as good. But they are fully aware that the world has changed and that Germany is not immune from this: The good times will not last. People expect fundamental change to safeguard future prosperity. They expect bold actions – even in Germany.”

Mind the gap

People want change. But why? What are the most pressing problems that bedevil today's societies? The answers in all three countries are similar: The top issue is the so-called social question. In Germany, for example, the key concern is inequality (71% of the answers), followed by the care system (68%), the pension system (66%) and protection against poverty (63%). In France, too, inequality is the number 1 concern (71%), in Italy, it is number 3 (75%). Besides the social question, a common worry in all three countries is the quality of the government: It ranks number 5 among the top concerns in Germany (and Italy), with 58% of answers (Italy: 73%) and even number 2 in France (70%). In Germany, however, this is seen as a rather temporary problem, fueled by the disaffection with the "Great Coalition"; in France and Italy, in contrast, it seems to be more of a systemic issue. Respondents have not only grown unhappy with their current governments but also see the political system itself as a problem – 69% in France (rank 3) and 77% in Italy (rank 2), compared to "only" 44% in Germany (rank 12).

Protect me!

Reflecting the list of social problems, securing pensions (71% of answers) and decreasing the gap between rich and poor (62%) are also among the top priorities of German policies (see table), together with the creation of affordable living space (68%) – which is a big issue for German respondents while it is a lesser concern for French respondents (54%) and of absolutely no concern for the homeowner nation Italy (8%). But in other national policy priorities, remarkable unity prevails. In France, for example, pensions come also on top (66%), while inequality is number 3 (60%); in Italy, it is number 4 (58%) and pensions number 7 (54%). "Many respondents seem to fear a looming pension crisis", commented Arne Holzhausen, head of insurance and wealth at Allianz Research and co-author of the study. "Against the backdrop of demographic change, zero interest rates, and the changing nature of work, these fears are not totally unfounded. The pension problem, however, cannot be solved by governments alone. Self-responsibility – own savings efforts – are also important. The best pension policy is one that enables more and more people to do just that."

Sometimes, the social concerns come in different shades: 72% of the Italian respondents (rank 1) and 64% of the French respondents (rank 2) view the reduction of unemployment as the top policy priority; for German respondents, reflecting the good shape of the labor market, the creation of jobs is of minor importance (36%, rank 15). Another quite remarkable similarity: Immigration is no longer seen as a top policy priority in all three countries, it is ranked number 11 in Germany (40%), number 14 (40%) in France and number 12 in Italy (35%). Climate protection, too, is ranked relatively low when respondents are asked about important national policy measures. In Germany (and in France), this issue just made it into the top 5 (57% resp. 54%), but in Italy, it is ranked number 8 (46%).

Climate responsibility

While climate protection is not seen as a top priority of national politics, the picture changes, when respondents are asked about policy priorities for the next EU Commission (see table): 56% of the German respondents think it should be the number one priority, followed by inequality (49%) and social security (49%). And immigration, too, is seen more as a supranational issue, it ranks number 4 (43%). The list of top policies reads quite similar for French respondents – climate protection, followed by inequality and immigration – and Italian ones, who, however, see economic growth as the top priority, but also followed by immigration, inequality and climate protection. "Looking at the expectations towards the next EU Commission, a relatively clear mandate emerges", commented Ludovic Subran. "It should focus on cross-border problems like climate change and immigration. National governments, on the

other hand, should concentrate on answers on the social question. It's a neat division of labor and a recipe for getting Europe going again."

Respondents not only harbor high expectations against policy makers but also against companies. A whopping 68% of German respondents call for companies to assume social responsibility; for climate responsibility, the number goes up to 73%. French and Italian respondents are equally demanding: 53% (France) respectively 58% (Italy) for social, and 62% (France) and 70% (Italy) for climate responsibility. At the same time, a meagre 13% of German respondents think that companies are already fulfilling their social responsibilities, against 61% who believe that they should do more. The picture is similar in France (20% vs 64%) and Italy (16% vs 69%). It's a sobering result and a wake-up call for all to build sustainable societies. We at Allianz will live up to our responsibility and are ready to take bold actions: Allianz is a founding member of the UN-convened Net-Zero Asset Owner Alliance, a group of the world's largest pension funds and insurers that has committed to carbon-neutral investment portfolios by 2050.

This complicated thing called EU

Agreement between German, French and Italian respondents ends when asked about the EU and the euro (see table). 37% of German respondents see more advantages in EU membership, against 23% who think the EU brings more disadvantages (and 40% for whom advantages and disadvantages balance each other out or are undecided). In France and Italy, it is the other way round: Only 19% (France) respectively 24% (Italy) see more advantages, against 40% (France) and 36% (Italy) who think otherwise. The age patterns of these answers are quite revealing. In all three countries, millennials seem to see the EU more positively than the population as a whole. But whereas in France dissatisfaction with EU membership increases linearly with age, in Germany (and to a lesser degree in Italy) pensioners are the most ardent Europeans, even more so than millennials. The euro is seen in a very similar light. The assessment of the German respondents, however, surprises. They see, as expected, more advantages in the euro – but only by a thin margin of a net percentage of 4% (36% vs 32%). The euro seems to be an unloved currency – even by its beneficiaries.

But even for EU-critical French and Italian respondents, divorce is not an option. Respondents in favor of an exit are outnumbered by those who oppose leaving the EU by a wide margin of 19 percentage points in both countries; in Germany, the gap (39 percentage points) is even wider. "The relationship status of the EU and its citizens is complicated" said Ludovic Subran. "With or without the EU, complaints prevail. But this state of affairs has a positive aspect: There is a fair chance to repair the relationship as many respondents abhor dissolution even more than keeping the knot tied."

Does EU membership and the euro bring more advantages or disadvantages?

Answers in %

		EU membership	Euro
France	More advantages	19	26
	More disadvantages	40	42
	Both	25	19
	Undecided	17	13

Germany	More advantages	37	36
	More disadvantages	23	32
	Both	32	24
	Undecided	8	8
Italy	More advantages	24	27
	More disadvantages	36	43
	Both	29	20
	Undecided	11	10

What are the top policy priorities for your national government and the new EU Commission?

Top 5 policy areas (multiple answers possible)

		National policy priorities	EU policy priorities
France	#1	Pensions (66%)	Climate protection (52%)
	#2	Unemployment (64%)	Inequality (52%)
	#3	Inequality (60%)	Immigration (47%)
	#4	Terrorism (56%)	Security and defense (44%)
	#5	Climate protection (54%)	Economic growth (38%)
Germany	#1	Pensions (71%)	Climate protection (56%)
	#2	Payable living space (68%)	Inequality (49%)
	#3	Inequality (62%)	Social security (49%)
	#4	Education system (58%)	Immigration (43%)
	#5	Climate protection (57%)	Education system (42%)
Italy	#1	Unemployment (72%)	Economic growth (61%)
	#2	Economic growth (64%)	Immigration (51%)
	#3	Less bureaucracy (61%)	Inequality (48%)
	#4	Inequality (58%)	Climate protection (47%)
	#5	Less public debt (56%)	Less bureaucracy (45%)

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You can find the study on our homepage:
https://www.allianz.com/en/economic_research/ in the Publications/Specials section.

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