

General public survey after the introduction of the euro in Slovenia

Summary

Fieldwork: April 2007

Report: May 2007

This survey was requested by Economic and Financial Affairs, R-4 and coordinated by Directorate General Communication

This document does not represent the point of view of the European Commission. The interpretations and opinions contained in it are solely those of the authors.

Flash EB Series #208

General public survey after the introduction of the euro in Slovenia

Conducted by
The Gallup Organization, Hungary
upon the request of the DG
Economic and Financial Affairs, R-4



Survey organised and managed by the
Eurobarometer Team of Directorate-General
Communication

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THE GALLUP ORGANIZATION

Introduction

The „*Survey among the general population on the introduction of the Euro in Slovenia*“, Flash Eurobarometer 208 was conducted for the European Commission, Directorate-General Economic and Financial Affairs.

The survey covers the following themes:

- Personal experience when using euro cash, converting from tolar to euro, distinguishing the euro banknotes and coins, understanding value in euro;
- Personal experience regarding the dual display of prices: how useful respondents found it, and whether or not it was implemented correctly;
- Awareness of the security features of euro banknotes;
- Difficulties when adjusting to the euro;
- Advantages of having the euro and
- Negative consequences of using the euro;
- Sources and channels of information (regarding the changeover).

The table of results (see Volume Tables and the Annex Tables attached to the F1208 Analytical Report) presents the Slovenian results broken down by the following socio-demographic characteristics of respondents:

- Sex (male; female)
- Age (15-24; 25-39; 40-54; 55 +)
- Years of Education (15 and less; 16-20; 21 and more; still in full time education)
- Urbanisation (from major cities: Ljubljana or Maribor; other town/urban centres; rural zones)
- Occupation (self-employed; employee; manual worker; without a professional activity).

The telephone interviews were conducted between the 23rd and the 27th of April 2007 by the partner institute Valicon Slovenia¹. 1006 interviews were conducted. The national sample was representative of the population aged 15 years and above. Smaller discrepancies stemming from sampling procedure were corrected by a weighting procedure called *raking*. The sample was weighted for age, sex, region and economic activity to accurately reflect the parameters of the universe.

¹ Formerly CATI doo.

Personal experience

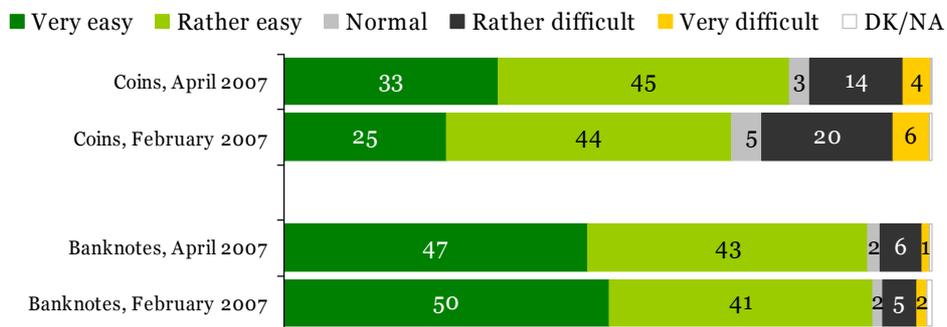
Distinguishing the euro cash

The majority of Slovenians indicated that they could distinguish easily between both euro banknotes and coins. Nearly all respondents felt this way about banknotes (90%), and most (78%) about coins. While almost half of the population said that they could *very easily* differentiate between banknotes (47%), only one-third of the population indicated the same about euro coins (33%).

While 7% of Slovenians claimed to find it difficult to manipulate and differentiate between euro banknotes -- 18% said the same about euro coins -- only 1% and 4%, respectively, indicated that it is *very difficult*.

Compared to last month's results, significantly more respondents find it very or rather easy to distinguish between euro coins (+7), while the proportion of those who can easily differentiate bank notes barely changed (-1). In accordance with the findings above we can observe a definite decrease of those who find the differentiation between coins *very or rather difficult* (8 percentage point decrease).

How easy or difficult it is to distinguish and manipulate euro cash



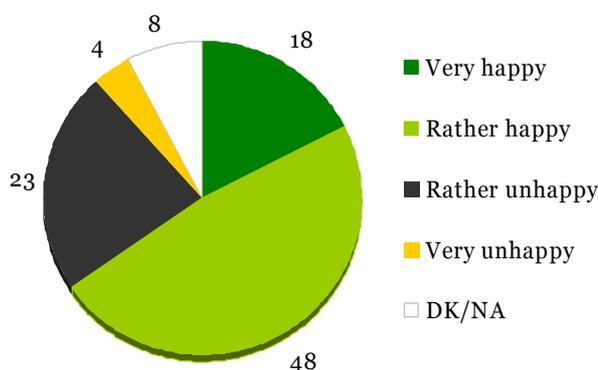
Q1. / Q2. When you pay cash, would you say that it is: very easy, rather easy, rather difficult or very difficult to distinguish and to manipulate coins / banknotes?
%, base: all respondents

Happy about the replacement of tolar with euro

Asked about whether they are personally happy or not with the replacement of the tolar by the euro, the majority of the citizens said that they are happy, but it should also be noted that only 18% of the respondents said that they are *very* happy about the replacement and 48% rather happy. 27% of respondents feel unhappy and 8% didn't know or did not want to answer the question. (This question was not asked in February 2007. However, in September 2006², 15% of Slovenians answered that they were very happy and 57% said they were rather happy that the euro would replace the tolar; at the other end, 23% of Slovenians were unhappy about it at that time.)

² See Flash Eurobarometer 191.

How happy about the replacement of tolar with euro



Q3. Are you personally happy or not that the euro replaced the (NATIONAL CURRENCY)?
%, base: all respondents

Mental benchmark when doing exceptional and day-to-day shopping

The next question explores **which currency Slovenian citizens use as a mental benchmark** when
 a) making exceptional purchases -- of goods with greater value and
 b) making common purchases -- such as day-to-day shopping.

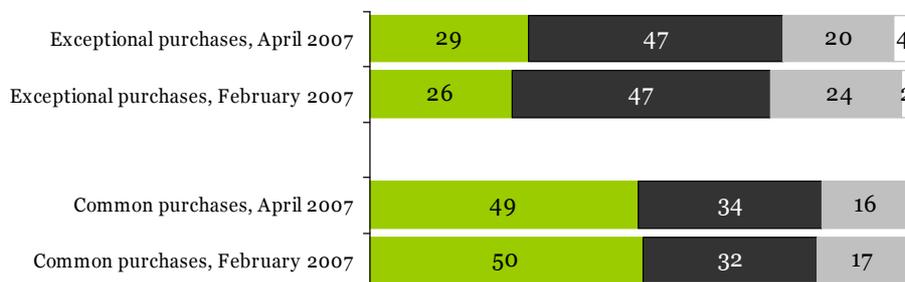
Results show that while more exceptional purchases are mainly calculated in tolar, most Slovenians calculate in euro when it comes to day-to-day shopping.

47% of Slovenians calculate *greater value purchases* most frequently in tolar, the same as was the case in February 2007, and 29% count in euro (+3% points compared to February 2007). Another 20% of the population responded that for such purchases they count in tolar as often as they count in euro (-4% since February 2007).

When it comes to *day-to-day shopping*, half of the respondents use the euro most frequently as a mental benchmark (49%), and more than a third (34%) use tolar. 16% of Slovenians reported that they use both tolar and euro as a mental benchmark when making everyday purchases. These figures changed only slightly since February 2007, as the next chart shows.

The most frequently used currency when counting and calculating ...

■ Most often in euro ■ Most often in tolar ■ As often in euro as in tolar □ DK/NA

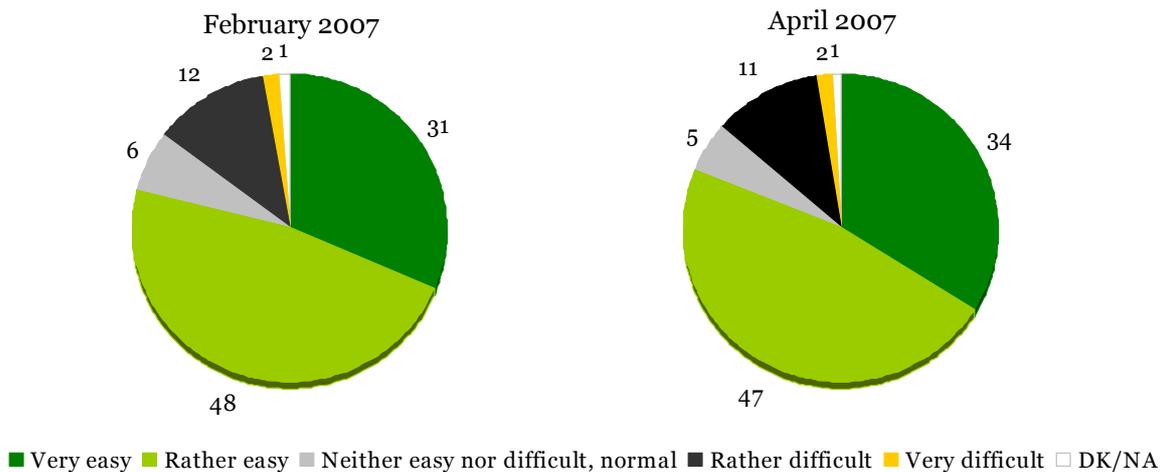


Q4 (04.2007)/Q3 (02.2007) In which currency do you count or calculate most often when you do ...
%, base: all respondents

Convert from tolar to euro and understanding the value in euro

The vast majority of the Slovenian population agreed that it is rather or very easy to **convert tolar to euro** (81%, +2); more than a third found it *very easy* (34%, +3). 13% of Slovenians said that it was difficult for them to convert tolar to euro; however, a mere 2% judged it as very difficult. The ratio of those considering the conversion difficult was similar in February 2007 (14% said it was difficult, 1% said it was very difficult).

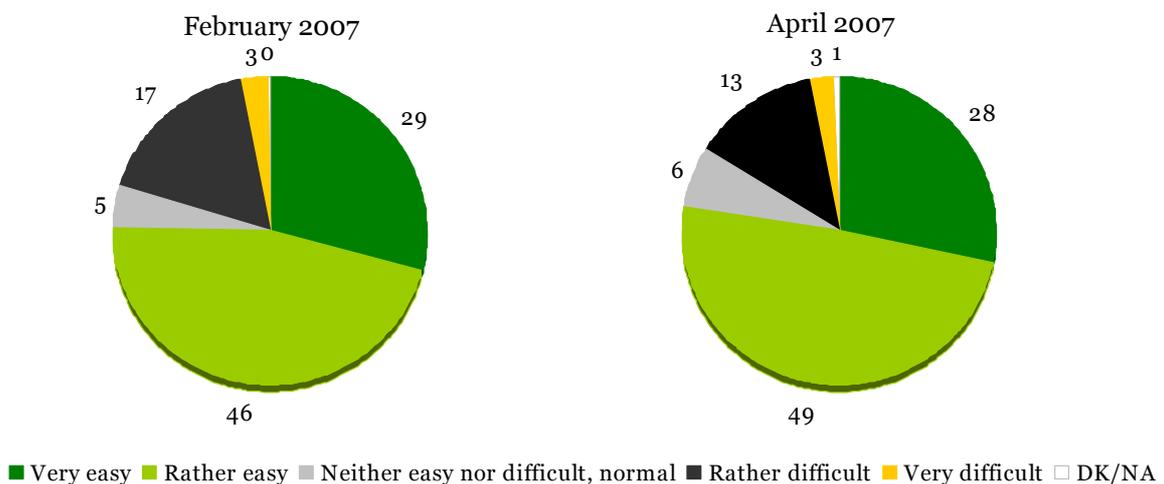
How easy or difficult it is to convert from tolar to euro



Q5 (04.2007)/Q4 (02.2007.) How easy or difficult is it for you to convert from Tolar to Euro?
%, base: all respondents

77% of Slovenians reported that they understand values displayed in euro more or less easily, 28% said that they understand values in euro *very easily*. 16% of Slovenians found it very or rather difficult to understand values expressed in euro, and 3% found it very difficult. In April 2007 slightly more Slovenians considered it easy to understand the value in euro than was the case in February 2007 (+2), less of them consider it difficult in April than in February 2007 as well (-4).

How easy or difficult it is to understand the value in euro

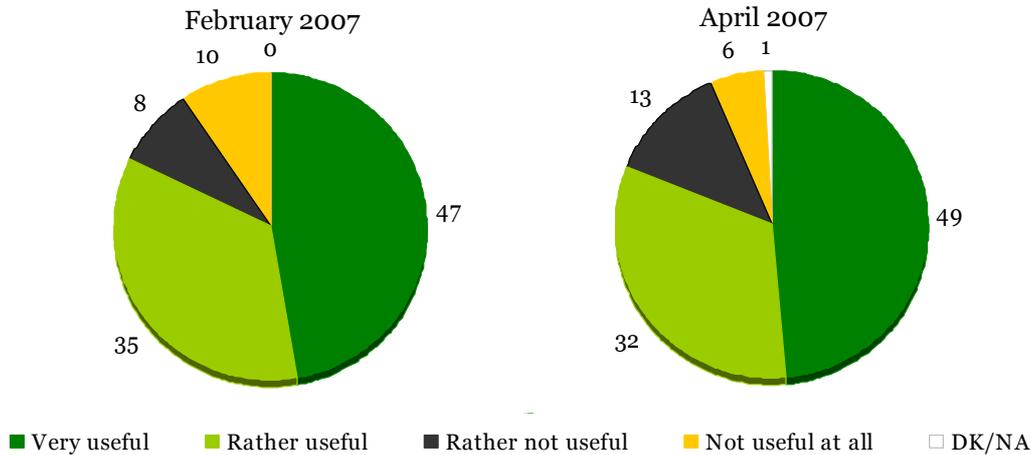


Q6 (04.2007)/Q5 (02.2007.) And how easy or difficult is it for you to understand the value in Euro?
%, base: all respondents

Dual display of prices

Nearly half of the population found the **dual display of prices very useful** (49%, +2); the combined proportion of those who found it very useful and those who found it useful was 81% (-1). On the other hand, 19% of Slovenian citizens found the dual display of prices *rather not useful* or not useful at all; 6% of respondents found it even *not useful at all* (these figures were 8% and 10%, respectively, in February 2007). This means that the overall support is basically unchanged but proportions shifted slightly.

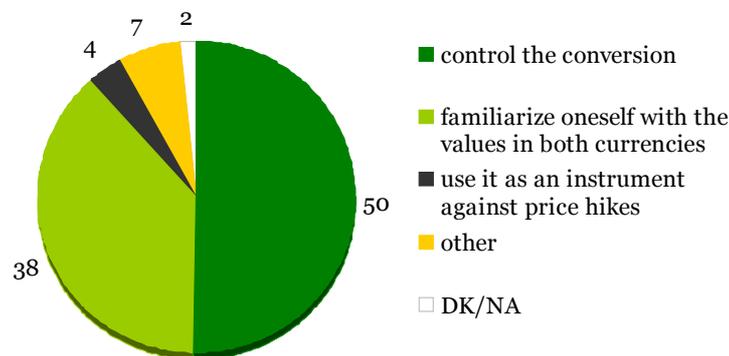
Overall usefulness of the dual displays of prices



Q7 (04.2007)/Q6 (02.2007) Overall, do you find the dual displays of prices useful?
%, base: all respondents

Asking about the reasons that Slovenians think the dual display of prices can be useful the majority of the respondents chose the option to *control the conversion* (50%). The second largest proportion of citizens named the reason *to familiarize oneself with the values in both currencies* (38%). Only a slight minority thought that dual displays can be used as an instrument against price hiking, 4% of respondents shared this opinion. 7% of Slovenians mentioned *other* reasons, while 2% did not want to or could not answer this question.

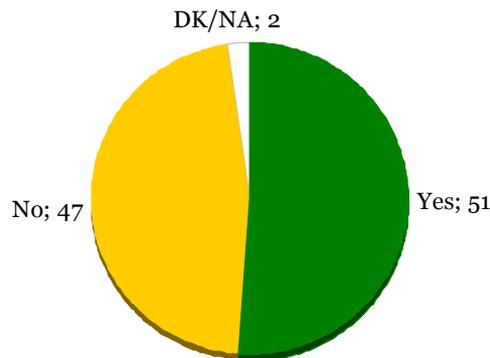
Reasons for the usefulness of the dual displays of prices



Q7bis. Why do you find the dual display of prices useful?
%, base: those who find the dual displays of prices useful

Considering the question “*Should the dual display of prices stay after the date provided by law (June 30, 2007)*”, Slovenians are divided. Slightly higher proportions of the citizens would prefer to continue with dual displays (51% - 47% felt otherwise). Looking at the proportions among all Slovenians, only 41% back the extension, the rest is either opposed to the extended period, or do not find dual price displays useful at all.

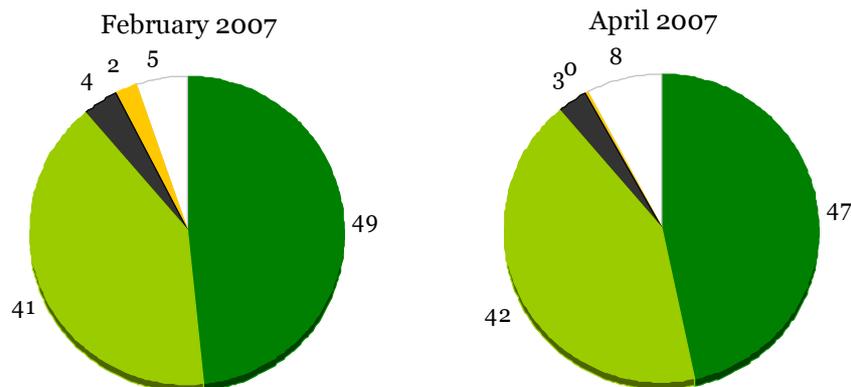
The dual displays of prices should stay after 30 June 2007



Q7 ter. Should the dual display of prices stay after the date provided by law (June 30, 2007) or not?
%, base: those who find the dual displays of prices useful

Half of Slovenians believe that the **dual display of prices was implemented correctly** (47%, -2), and a further 42% (+1) think that it was *mostly* implemented correctly. These figures have not changed significantly since February 2007. Only 3% of Slovenians thought that it was not at all or mostly not correctly implemented (this figure was 6% in February 2007).

The correct implementation of the dual displays of prices



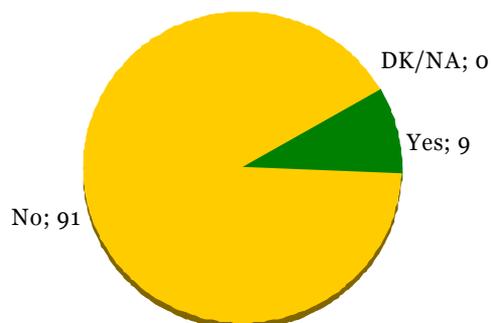
■ Implemented correctly ■ Mostly correctly ■ Mostly not correctly ■ Not at all correctly □ DK/NA

Q8 (04.2007)/Q7 (02.2007) Is your impression that the dual displays of prices are implemented correctly (clearly identifiable displays, based on the conversion rate etc)?
%, base: all respondents

Still having tolar that want to exchange for euro

The overwhelming majority of Slovenians do not have any tolar they would like to exchange for euro (91%). Less than one out of ten citizens still have some tolar (9%).

Still have tolar, want to exchange for euro



Q9. Do you still have tolar that you would like to exchange into euro (cash or into your account)?
%, base: all respondents

Knowledge

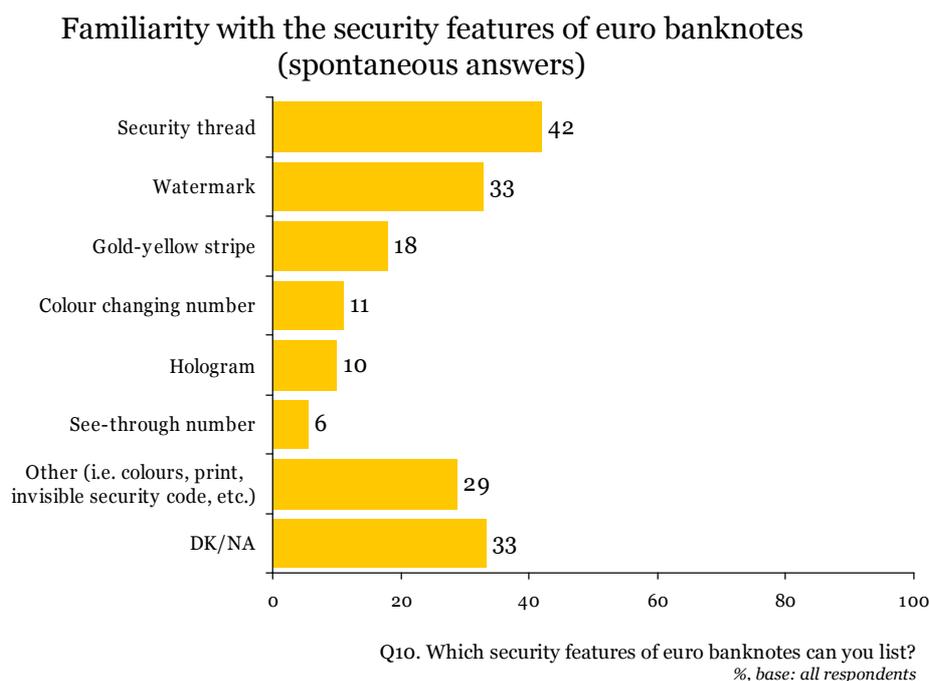
Security features of euro banknotes

Euro banknotes have several security features that enable the easy confirmation of their genuineness. Due to a special print procedure, the banknotes feel unique. Held against a light, the watermark, the security thread and the see-through number become visible. The front and back of a genuine banknote feature all three security elements. By tilting the banknote, a shifting image appears on the hologram in the front; on the back, the glossy stripe (on the €5, €10 and €20 banknotes) or the colour-changing number (on the €50, €100, €200 and €500 banknotes) becomes visible.

When asked about this list of security features on euro banknotes, one third of Slovenian citizens could not or did not answer the question (33%). We draw the attention to the fact that in this question the survey collected spontaneous replies without listing the available security features for the respondents, confirming the awareness of each.

Of the security elements on euro banknotes, Slovenian citizens were most likely to be familiar with the *security thread* (42% were aware of it). One third of respondents mentioned the *watermark* (33%) and almost one fifth mentioned the *gold-yellow stripe* (18%)³. 11% of respondents were aware of the *colour-changing number*, making it the fourth most well-known security feature. 10% of respondents were aware of the *hologram*. The *see-through number* was the least well known of the security elements, mentioned by only 6% of respondents.

Nearly one third of the respondents said that *other* elements not listed in the questionnaire were among the security features of euro banknotes, e.g. colours, print, invisible security code, etc. (29%).



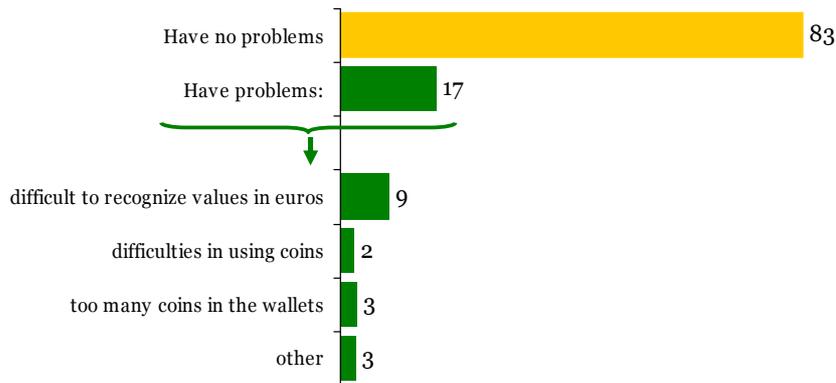
³ In February 2007 the question prompted each security feature asking a non-spontaneous awareness of each, but similar security elements were mentioned in the first three places. At that time the most well-known security element was the *security thread* (71%), followed by the *watermark* (60%) and the *gold-yellow stripe* (50%).

Problems adjusting to the euro

The majority of the Slovenians had no problems adjusting to the euro. However, 17% of them had some difficulties, mostly with regard to recognizing values in euro (9% emphasize this difficulty).

Less than 5% of Slovenian citizens have difficulties using euro coins (2%) or with having too many coins in their wallets (3%). 3% of citizens indicated they have had difficulties other than those mentioned in the questionnaire when adjusting to the euro.

Having problems adjusting to the new currency



Q11. Do you have any problems adjusting to the new currency?

Q12. What was the nature of problems:
%, base: all respondents

Benefits and fears

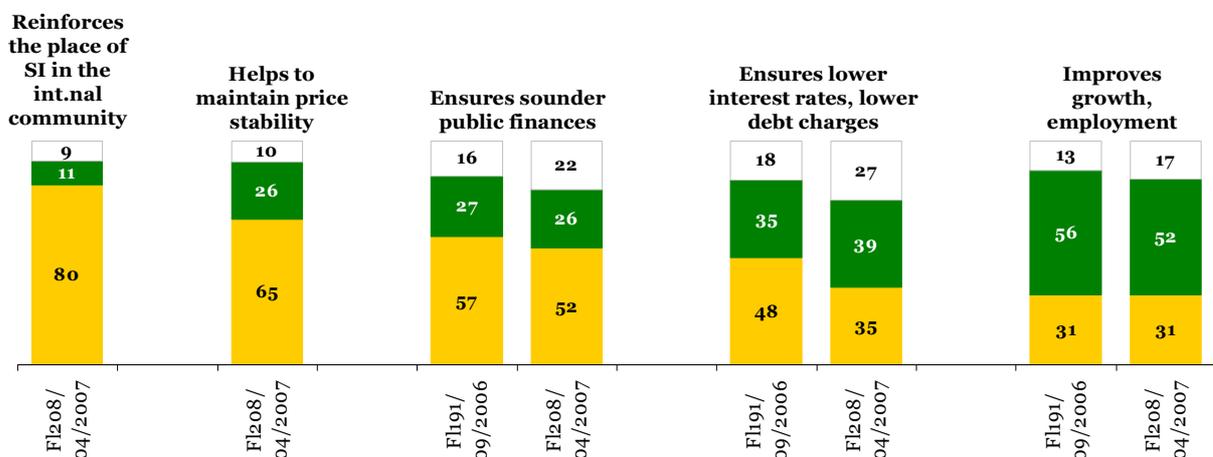
Favourable political and economic consequences of the euro

Questions regarding the favourable political and economical consequences of the euro were asked in Slovenia in September 2006, in the Flash Eurobarometer 191 survey, before the introduction of the euro in the country. We briefly present comparisons where possible, we emphasize however that the question formulation is somewhat different – in September 2006 all questions referred to a future time⁴.

Looking at the various economic or political effects of the euro introduction, Slovenians are most likely to agree that the enlargement of the eurozone with their country *will reinforce the place of Slovenia in the international community* (80%). (In September 2006 the NMS10 citizens were asked if the enlargement of the eurozone with their country would or would not improve Europe's global significance – and 71% of Slovenians answered yes, this figure being the highest among all advantages mentioned). However, one out of every ten Slovenians didn't consider this to be the case (11%).

Potential political and economic advantages of adopting the euro

■ Yes ■ No □ DK/NA



Q20 (09.2006). In your opinion, what are the main advantages of the adoption of the euro in (OUR COUNTRY)?
 Q13 (04.2007). In your opinion, what are the main advantages of having euro in (OUR COUNTRY)?
 %, base: all respondents

Fewer Slovenians (but still many in absolute terms) cited as the main advantage of the introduction of the euro its ability to *help to maintain price stability* (65%). One quarter of Slovenians did not consider this to be the main advantage of the euro's introduction (26%). (In September 2006 this question was asked rather differently and therefore incomparably; at that time the NMS10 citizens had to choose between the answer categories "the euro will help maintain price stability" and "the euro will increase inflation". Only 24% of Slovenians answered in September 2006 that the euro would maintain price stability. Please also refer to section 3.3 where we discuss the perception of the one-time effect of the changeover on the prices.)

Still more than half of the Slovenians believe that ensuring *sounder public finances* is the third most important advantage of the adoption of the euro (52%). In September 2006 slightly more Slovenians

⁴ In Flash 191, September 2006 the answer categories were: a) Will ensure lower interest rates, less debt charges; b) Will ensure sounder public finances; c) Will reinforce the place of Europe in the world; d) Will improve growth, employment.

thought that this *would be* the main advantage of the euro (57%). Slightly more than one quarter of Slovenians held the opposite opinion (both in April 2007 and September 2006, 26% and 27%, respectively).

Less than half of Slovenians thought that the euro *ensures lower interest rates* (35%) or that it *improves growth and employment* (31%). While “only” two out of five Slovenians said the introduction of the euro does not ensure lower interest rates and less debt charges (39%); the majority of them agreed that the euro won’t improve growth and employment (52%). More citizens disagreed than agreed with these two statements in April 2007.

Compared to the attitudes from September 2006, fewer Slovenians think in April 2007 that lower interest rates and less debt charges are consequences of the euro, (48% in September 2006 and 35% in April 2007) and more citizens mention the contrary (35% vs. 39%).

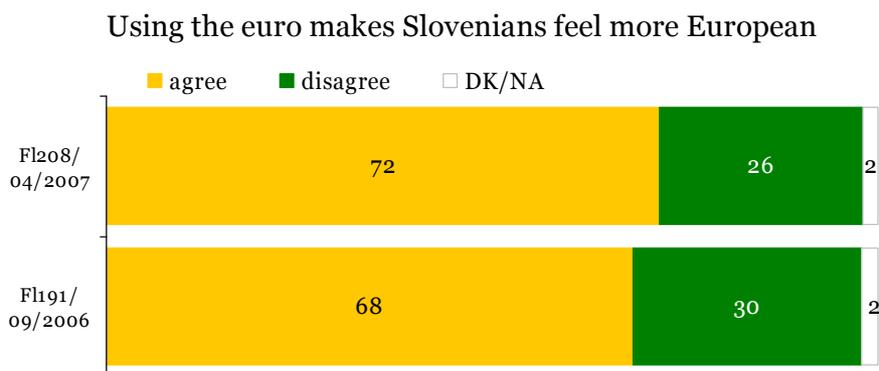
The ratio of those who think the euro will help increase employment or boost economic growth did not change from September 2006 (31%), however the ratio of those who disagree with this statement decreased slightly (from 56% in September 2006 to 52% in April 2007).

The euro as an ingredient for European identity

This question parallels the question about loss of national identity discussed in section 3.3 and deals with the relationship between European money and national identity – which does not seem to be an issue for most Slovenians.

We asked this question in Slovenia in September 2006 as well, however at that time the Slovenians had to agree or disagree with the statement “The usage of the euro instead of the (NATIONAL CURRENCY) *will make us feel* more European than now”.

In April 2007 more Slovenians agreed that introducing the euro in their country makes them **feel more European**, as compared to their anticipation in September 2006 (72% vs. 68%). Accordingly, fewer citizens disagreed in April 2007 than in September 2006 with this statement (26% vs. 30%).



Q21 (2006) / Q14 (2007).
 Could you tell me for each of the following statements if you agree or disagree...?
 e) *The usage of euro instead of the NATIONAL CURRENCY make us feel more European*
 %, base: all respondents

Fears regarding the introduction of the euro

There are a number of “fears” or negative attitudes people mention in discussions about the euro. Most of them are shared by only a minority of Slovenians, and by slightly less citizens now than in September 2006. There are a few items we also asked about in September 2006 although at that time the questions referred to the future time⁵.

A relatively large proportion of Slovenian citizens agree that prices increased due to the changeover to the euro: eight out of ten citizens agree⁶, and only 17% disagree with this statement. However, this is the only negative statement agreed with by the majority of Slovenians; all other “fears” are mentioned by only a small minority of citizens.

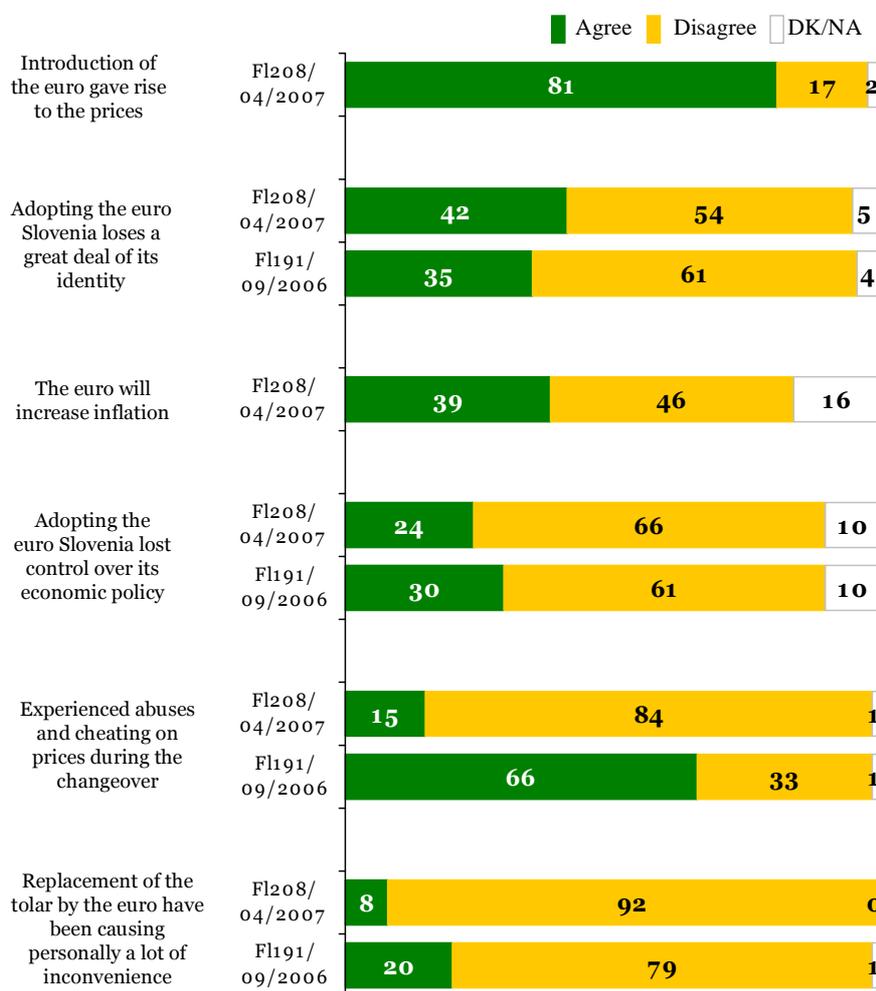
The second most widespread fear that a large minority of Slovenians share, is that the adoption of the euro causes Slovenia to lose a great deal of its identity (42%). On the other hand, more than half of Slovenians disagree with this (54%). Comparing this figure with the corresponding figure from September 2006, fewer citizens feared at that time that the euro would cause their country to lose a great deal of its identity (35%).

The third most frequently mentioned fear in Slovenia is an increase in inflation due to the euro: while 39% of citizens agree, 46% of them disagree with this statement.

⁵ In Flash 191, September 2006 the answer categories were: a) The replacement of the (NATIONAL CURRENCY) by the euro will cause you personally a lot of inconvenience; b) You are afraid of abuses and cheating on prices during the changeover; c) Adopting the euro will mean that (OUR COUNTRY) will lose control over its economic policy; d) Adopting the euro will mean that (OUR COUNTRY) will lose a great deal of its identity.

⁶ The worries of Slovenians are not unique, contrary to evidence in the eurozone so far (showing greater price stability in the euro area compared to the pre-euro period). In September 2006, the vast majority of euro-area citizens (93%) responded that in the last five years (since introduction of euro cash) the euro has added to the increase of prices (*Source: Flash Eurobarometer 193.*). In NMS11 countries 75% of the citizens thought in April 2007 that the introduction of the euro will increase prices in their countries (*Source: Flash Eurobarometer 207.*).

Fears regarding the adoption of the euro



Q21 (2006). /Q14 (2007). Could you tell me for each of the following statements if you agree or disagree...?
%, base: all respondents

The majority of Slovenians disagree with the statements that their country lost control over its economy (66%) or that they experienced abuses and cheating on prices during the changeover (84%) or that the replacement of the tolar by the euro caused them a lot of personal inconvenience (92%).

The ratio of those who agreed with these statements is lower in April 2007 than it was in September 2006. What people were clearly afraid of in September 2006 were the potential abuses around the time of the changeover: two thirds of Slovenians were afraid of this in September 2006 (66%). In the present survey only 15% of Slovenians said they experienced such abuses, so this fear now seems to have been highly exaggerated before the changeover.

Information

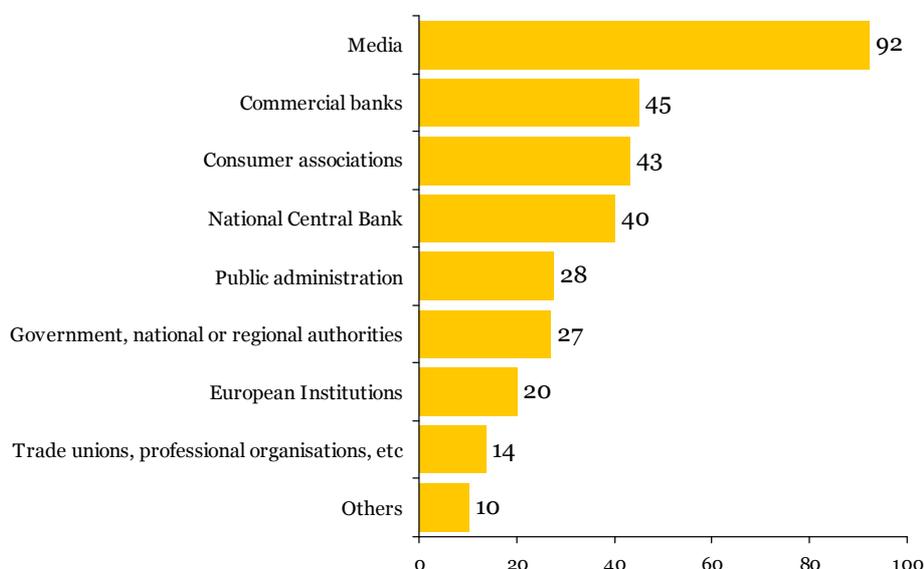
Sources of information

Respondents were asked about their main sources of information about the euro. In line with our earlier findings, this survey confirms the outstanding role played by the *media* in distributing news and information about the euro and the European Union. 92% of Slovenian citizens obtained information about the euro primarily from the media.

The second most popular source – commercial banks – was less than half as popular as the media, only 45% of the respondents choosing it as a main source of information. Two other sources get similarly high proportions, consumer associations with 43% and the National Central Bank with 40%.

Far less favoured sources of information are the *public administration and government*, and *national and regional authorities* (28%, 27%) Among other sources, *European Institutions* with 20% and *Trade Unions, professional organizations etc* with 14% are the least popular of all sources. A relatively high proportion identified *other authorities* not listed as sources of information (10 %).

Sources of information about the euro



Q15. Where do you mainly get information about the euro?
%, base: all respondents

Most efficient channels of information

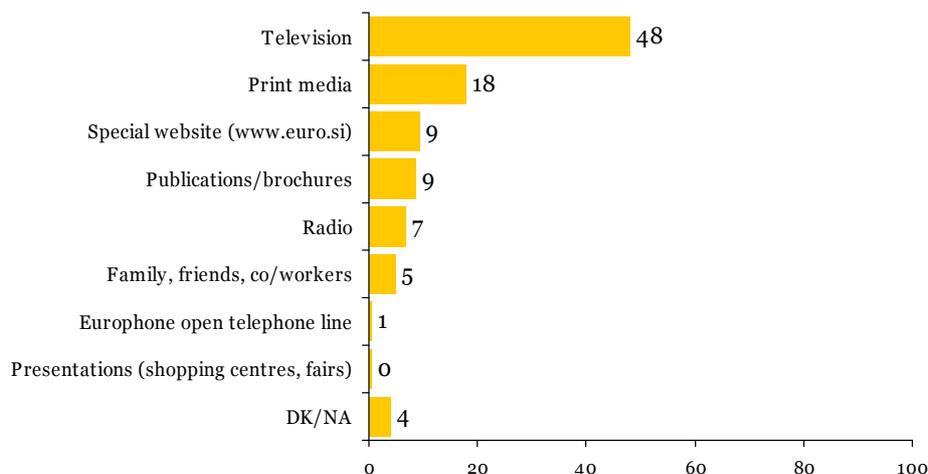
Television is considered the most efficient source of information about the euro; the highest percentage of Slovenians selected this medium (48%). (See the chart on the following page.)

The source considered second most efficient was *print media* (18%), but it was mentioned in a far lower proportion than television. Similarly, about every tenth respondent named *special websites* and *publications and brochures* as the most efficient sources of information (both with 9%).

All other sources were mentioned relatively infrequently: *radio* was mentioned as the most efficient source by 7% of citizens, while the category *family, friends, and co-workers* was mentioned by 5%.

Only 1% of Slovenian citizens mentioned the *Europhone open telephone line* and even fewer mentioned the *presentations*. The proportion of those who could not or did not want to answer the question was 4%.

The most efficient channels of information about the euro



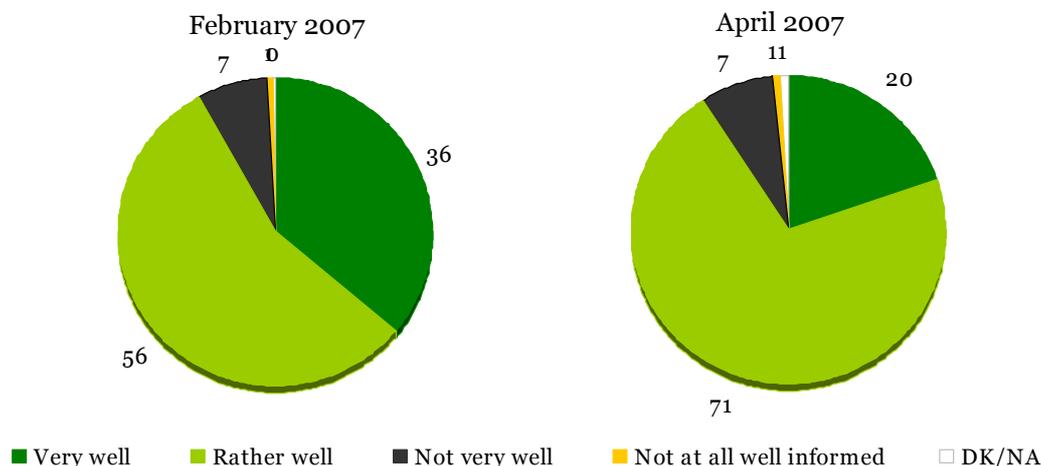
Q16. Which channel is the MOST efficient source of information about the euro: %; base: all respondent

Feeling informed about the euro

The vast majority of Slovenians felt *well informed* about the euro (91%), and 20% considered themselves *very well* informed, although this is a 16 percentage point decrease compared to February 2007. 9% of the citizens thought otherwise, but only 1% saw themselves as *not at all well informed*.

Apparently, the meaning of being informed is shifting in Slovenia. As we described in section 2, factual knowledge related strictly to the money is rather on the rise – citizens now probably develop a different set of criteria of being “very well” informed about the euro, after most of them mastered the basics already. But overall, the proportion of those who feel more or less informed did not change since February 2007.

Feeling informed about the euro



Q17. To what extent do you feel informed about the euro? Do you feel... : %; base: all respondents

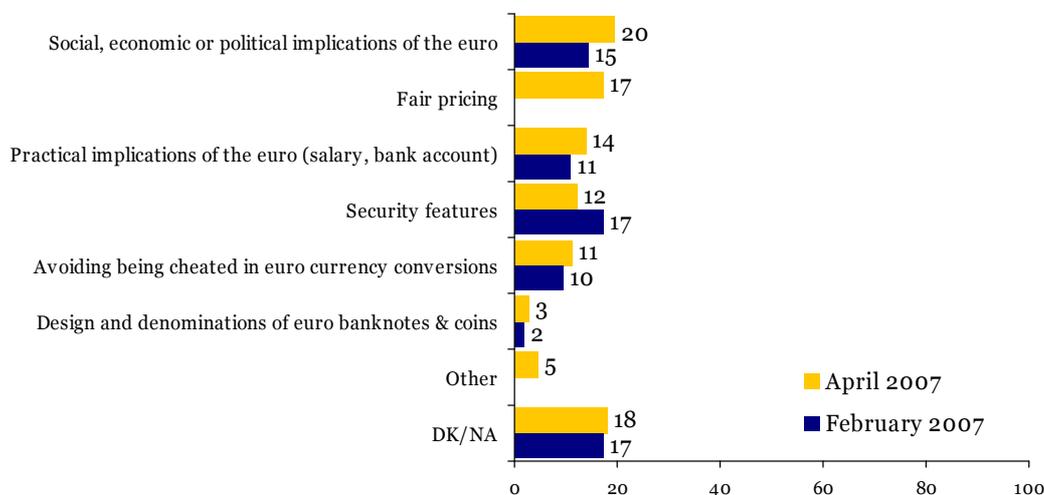
Most important euro related issue need more information about

The survey also asked Slovenian citizens about **the most important issues about the euro that they would like to be informed about in the future**. Reflecting their above described self-confidence regarding their knowledge levels, a relatively high proportion of Slovenians could not name any euro-related issue they wanted more information on (18%; this figure was 17% in February 2007).

Slovenians find the social, economic or political implications the most crucial euro-related topic (20%), followed by fair pricing, which is the most important topic of all for 17% of the respondents. 14% of respondents find the practical implications of the euro the most important issue, while about one respondent out of ten chose the issues of security features (12%) and of how to avoid being cheated in euro currency conversion (11%). The fewest Slovenians mention that they consider the euro design and denominations an important euro-related issue about which they would like to have more information (3%).

Another 5 percent of the respondents named other issues, while an extremely high proportion of the citizens (18%) could not, or did not want to answer this question.

Most important euro-related issue about which respondents would like more information



Q18 (04.2007) What is the most important issue about the euro that you would like to be informed about in the future?
 Q18 (02.2007) What is the most important issue about the euro that you would like to have more information on?
 %, base: all respondents

Making a comparison between results from the two surveys (February 2007 and April 2007) we must note that the two questions, as well as the answer options differ in several ways.

In February 2007 we asked: “*What is the most important issue about the euro that you would like to have more information on? Firstly?*” And as another question item: “*Secondly?*”

In April 2007 the question was as follows: “*What is the most important issue about the euro that you would like to be informed about in the future?*” (One question item only).

Regarding the answer options, there were the following four changes:

The answer option *other* had been added to those already existing, and in one answer-item the phrasing had been changed from *fair rounding of prices* to *fair pricing*. The answer-items *the value of one euro in tolar*s and *the dual display of prices* had been removed.

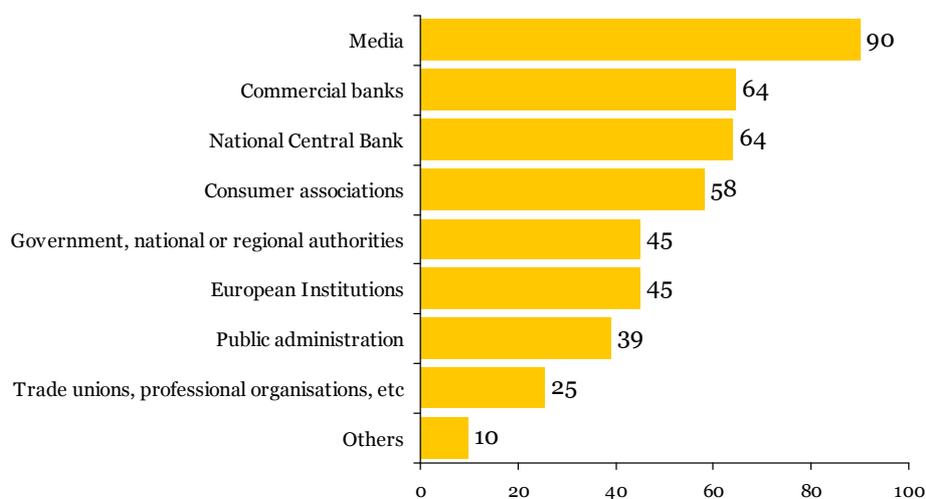
As a result of these changes comparative analysis is limited. Although some clear tendencies can be observed if we compare the *first mentioned* issues in February 2007 to the answers of April 2007. While in February the most important issue the respondents wanted to hear more information about was security features, this is no longer one of the three most important topics.

The issue of social, economic and political implications of the euro became slightly more important to respondents, as did the topic of the practical implications of the euro. How to avoid being cheated in euro currency conversions and the design and denominations of euro banknotes and coins was less crucial in both surveys.

Institutions expected to give information about the euro

In reply to the question ‘Where do you mainly get information about the euro’, media was indicated by most respondents, it is clearly the most popular “institution”; 90% of respondents expect to receive information on the euro from media sources. With a slightly lower proportion (64% both), the second and third most favoured institutions are the commercial banks and the National Central Bank. Nearly two-third of Slovenians questioned named these two as institutions they expect to receive information from. More than the half of the citizens mentioned consumer associations. Less, but still a remarkable proportion of the respondents chose Government and national or regional institutions and European Institutions (45%). Public administration (39%) and trade unions (25%) are the least popular institutions. 10% of the respondents chose a non-listed institution.

From which institutions expect to receiving information on the euro



Q19. From which institutions do you expect to receive information on the euro in the future?
%, base: all respondents