



EUROPEAN CENTRAL BANK

EUROSYSTEM

The importance of trust for the ECB's monetary policy

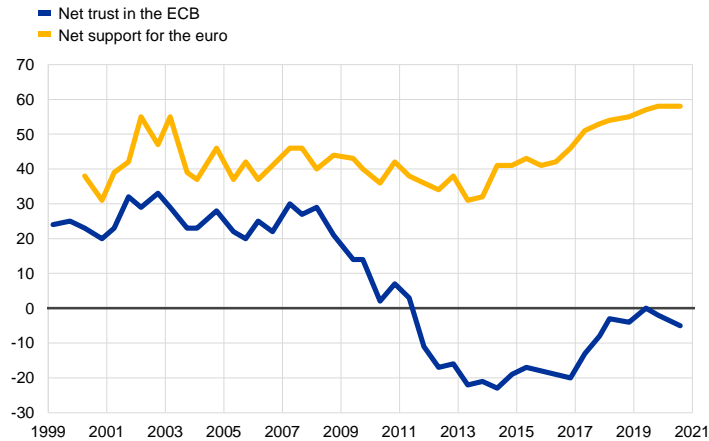
Hamburger Institut für
Sozialforschung, 16 December 2020



Isabel Schnabel,
Member of the ECB Executive Board

Divergence between trust in the ECB and support for the euro

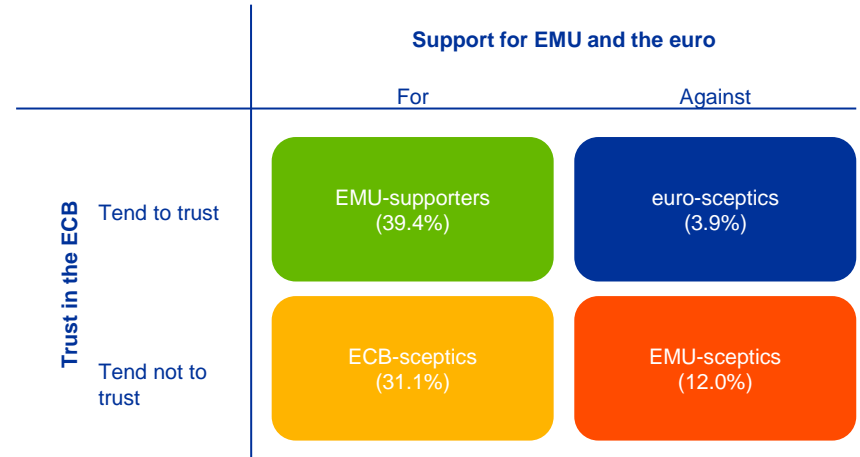
Net trust in the ECB and net support for the euro (percentage points)



Sources: Eurobarometer, own calculations.

Notes: Net support for the euro is calculated as the share answering "for" minus the share answering "against" to the question "Please tell me whether you are for or against it: A European economic and monetary union with one single currency, the euro." Net trust is calculated as the share of respondents giving the answer "Tend to trust" minus the share giving the answer "Tend not to trust" to the question "Please tell me if you tend to trust it or tend not to trust it?: The European Central Bank." Respondents who answered "don't know" are excluded in both cases.

Typology of attitudes towards the Economic and Monetary Union (EMU) (%)

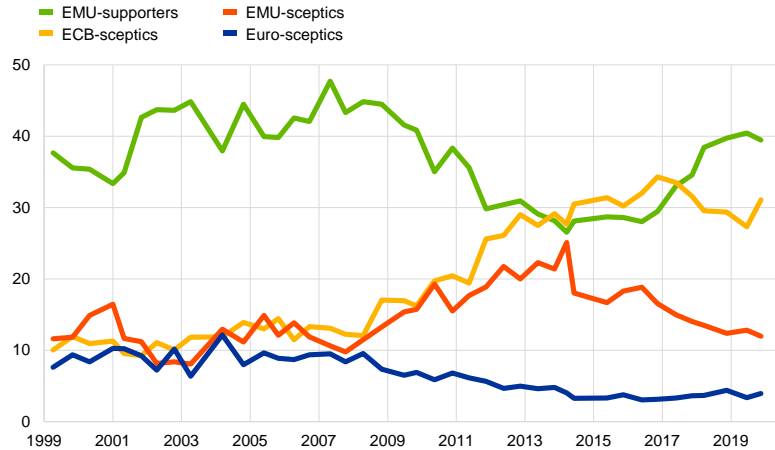


Sources: Eurobarometer 92 (autumn 2019), own calculations.

Notes: The fifth group, which includes respondents who answered "don't know" to one or both of the questions (13.6%), is not included in the overview.

Decreasing trust in the ECB after the financial crisis, particularly in strongly affected countries

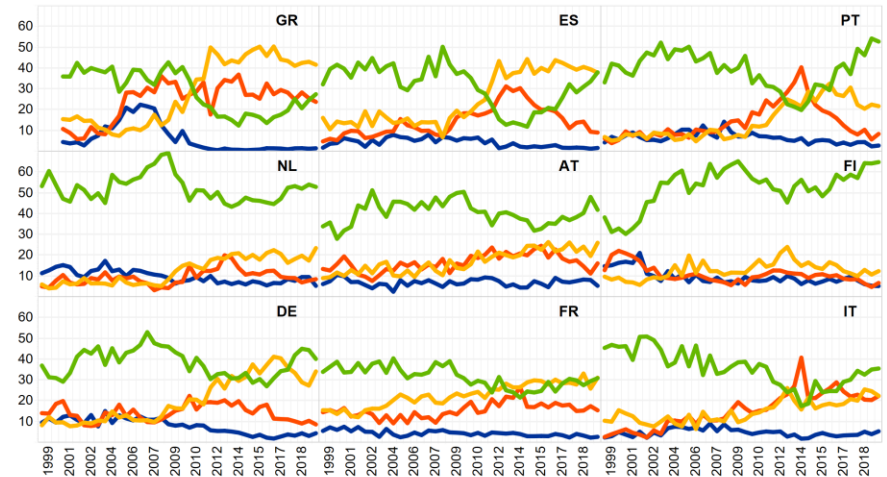
Attitudes towards EMU over time, 1999-2019 (%)



Sources: Eurobarometer, own calculations.

Notes: The typology contains four groups: the first group neither supports the euro nor trusts the ECB (EMU-sceptics); the second group supports the euro, but does not trust the ECB (ECB-sceptics); the third group does not support the euro, but trusts the ECB (euro-sceptics); and the fourth group supports the euro and trusts the ECB (EMU-supporters). A fifth group (Other) includes those who answered "don't know" to one of the two questions.

Attitudes towards EMU over time, 1999-2019, by country (%)

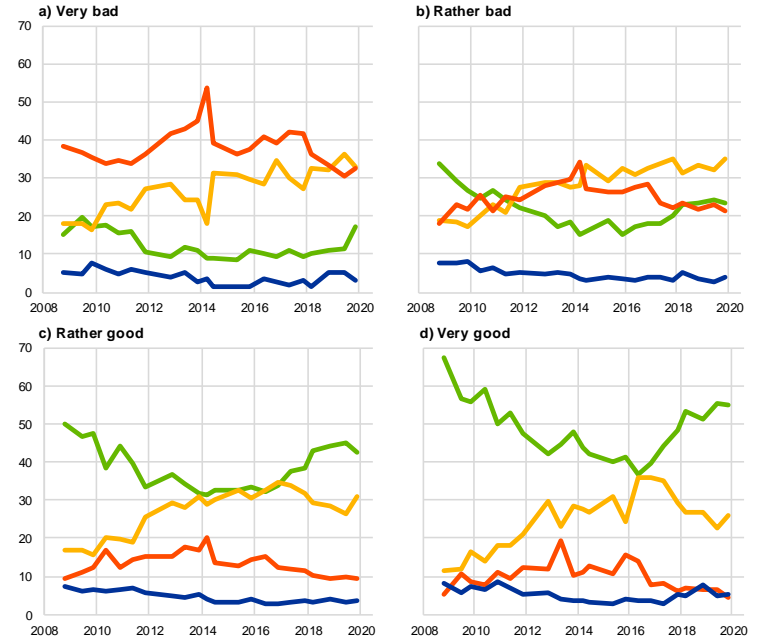
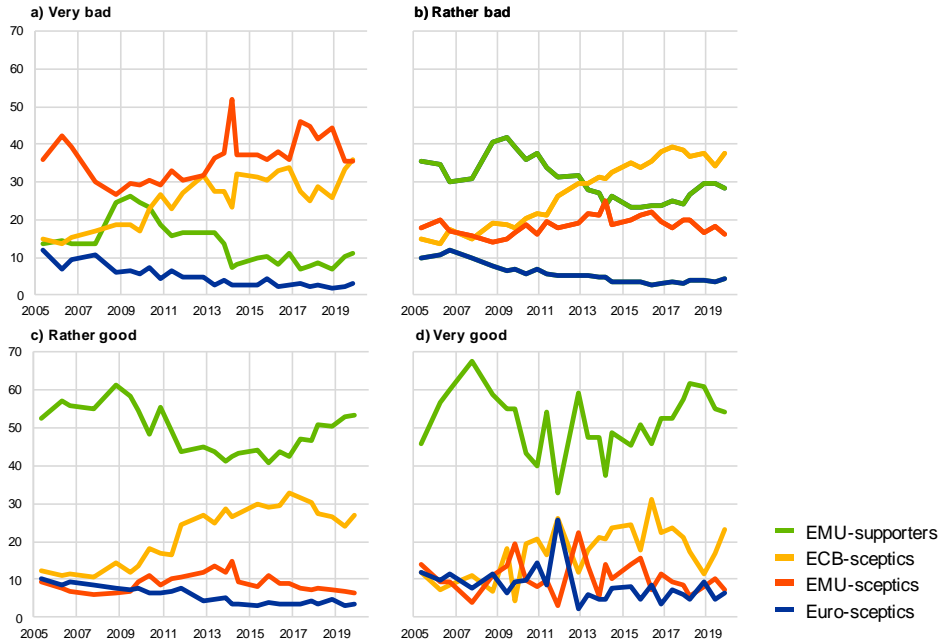


Sources: Eurobarometer, own calculations.

Trust influenced by perception of economic situation

Attitudes towards EMU by perception of the current economic situation in Europe (%)

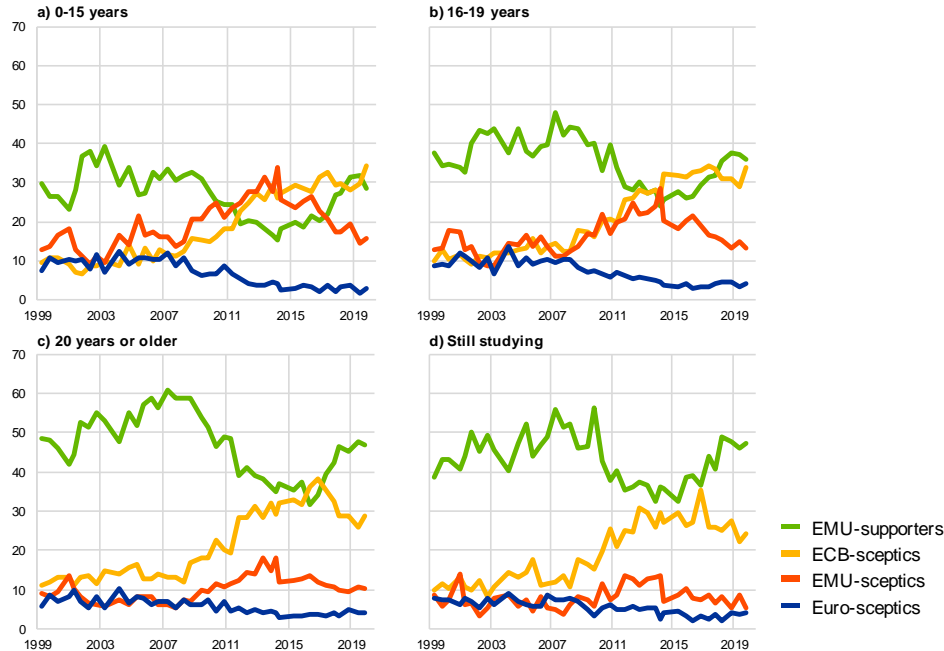
Attitudes towards EMU by perception of the current economic situation of own household (%)



Sources: Eurobarometer, own calculations.

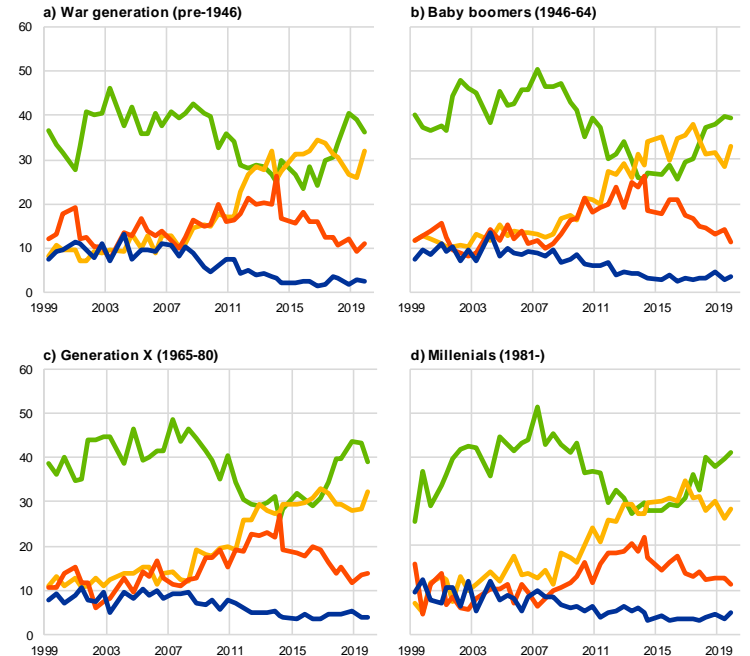
Trust depending on educational level, but less on age

Attitudes towards EMU by educational level
(age upon completion of full-time education) (%)



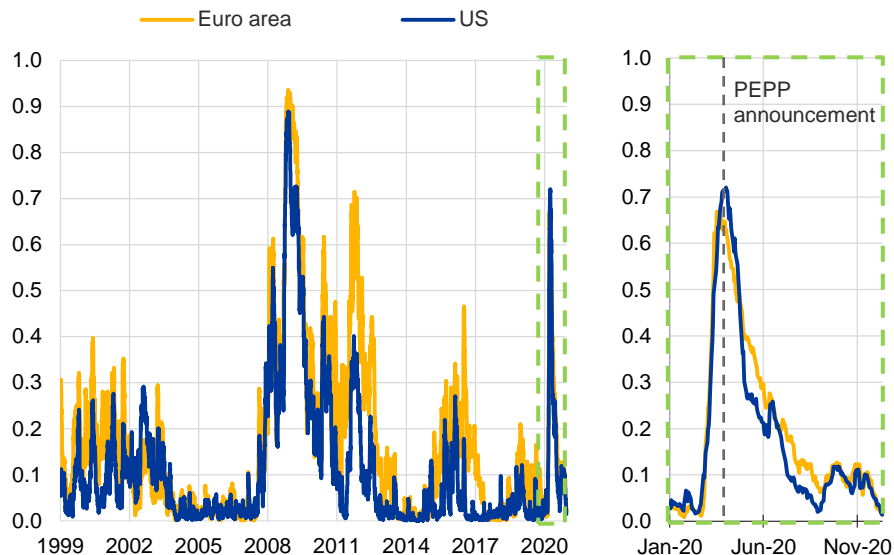
Sources: Eurobarometer, own calculations.

Attitudes towards EMU by birth cohort (%)



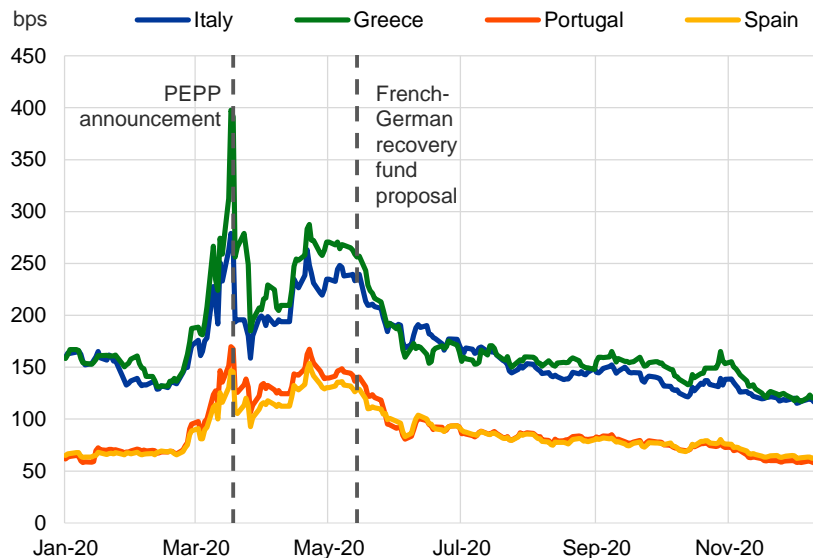
ECB's monetary policy response preventing financial crisis and reducing risk of fragmentation in the euro area

Indicator for systemic stress in financial markets (CISS) (index)



Source: ECB Working Paper No. 1426.
 Note: CISS denotes the Composite Indicator of Systemic Stress (0 = no stress, 1 = high stress). The indicator aggregates stress signals from money, bond, equity and foreign exchange markets. The latest observation is for 11 December 2020.

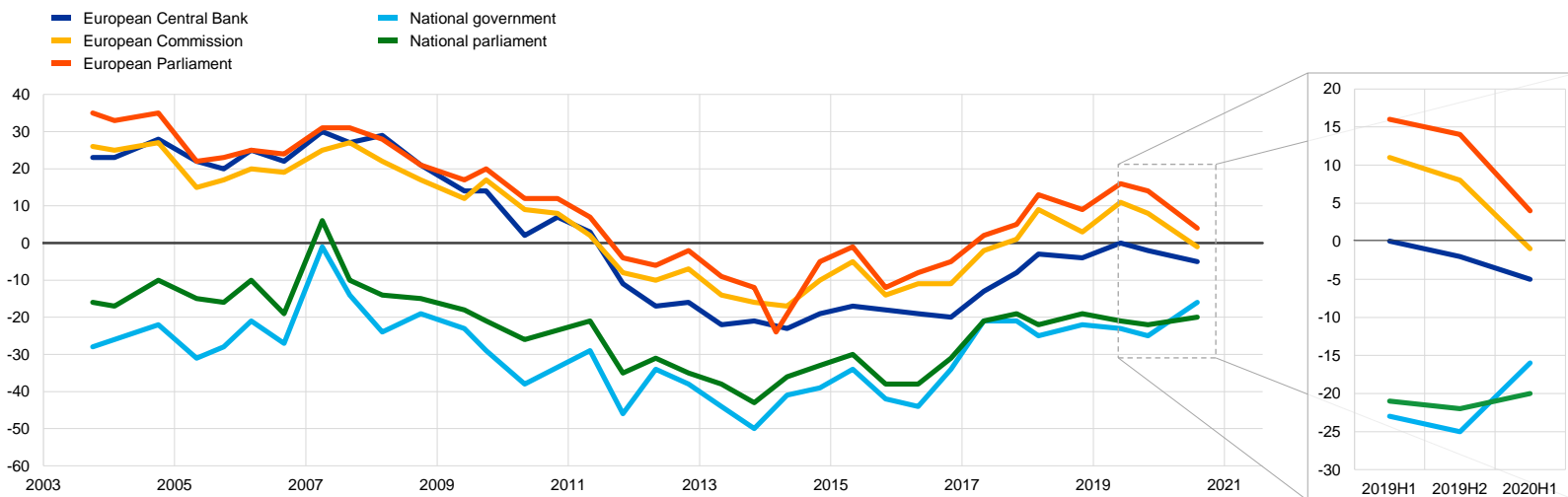
10-year yield spreads of selected government bonds over German equivalents (basis points)



Source: Bloomberg.
 Note: The latest observation is for 14 December 2020.

Trust in all EU institutions decreasing during the pandemic crisis

Net trust in European and national institutions (percentage points)



Sources: Eurobarometer, own calculations.

Notes: Net trust is calculated as the share of respondents giving the answer "Tend to trust" minus the share giving the answer "Tend not to trust" to the question "Please tell me if you tend to trust it or tend not to trust it?: NAME OF INSTITUTION". Respondents who answered "don't know" are excluded.

Thank you very much for your attention!