

AUGUST THINKTANK SURVEY: GOVERNMENT APPROVAL AND EUROZONE CRISIS

YouGovStone interviewed 938 members of its online ThinkTank of 4000+ influential Britons, drawn from politics, business, media, academia, NGOs, the public sector and beyond. Research was conducted through an online survey between August 24th and September 1st 2011.

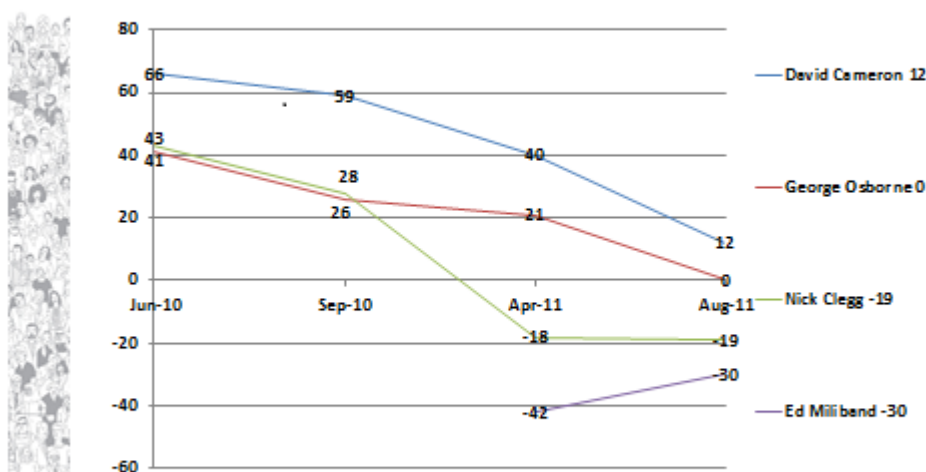
Net approval ratings for David Cameron, George Osborne continue to decline, stable for Nick Clegg, small rise for Ed Miliband

- **Voting intention largely unchanged**
- **Falling confidence in US and eurozone economies, political leadership blamed in the latter**
- **House prices not expected to change in the next year**
- **Panel divided over 'broken Britain' hypothesis**

Government approval and voting intention

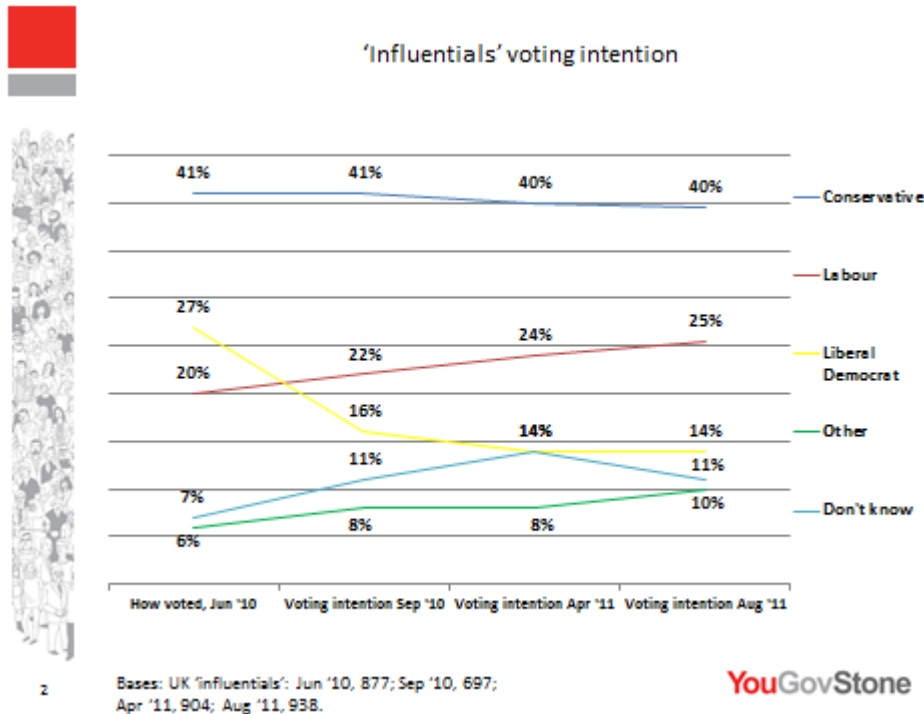
The general trend observed in previous surveys of a steady decline in net approval for Government figures continues in this month's survey. Net approval for David Cameron has plummeted to just 12%, although it is 68% for Conservative panellists and -58% for Labour ones. However, this does not translate into a marked improvement for Ed Miliband; his ratings rose but are still at a low -30%, but +13% amongst Labour voters. Big increases in net approval were recorded for William Hague (up 26%) and Vince Cable (up 15%). Finally, Nick Clegg's net approval appears to be levelling out at a low -19%, although Liberal Democrat panellists give him a rating of +41%.

How well do you believe each of the following are doing in their current roles?
Net approval (% who say 'good job' minus % who say 'poor job')



Bases: UK 'Influentials': Jun '10, 877; Sep '10, 697; Apr '11, 904; Aug '11, 938.

In terms of parties and voting intentions, the percentage of the panel that would vote Conservative at the next general election has dropped by a fraction, and Labour has gained an additional percentage point. Following their dramatic drop after the last general election, the Liberal Democrats have levelled out at 14%, whilst small parties continue to rise.

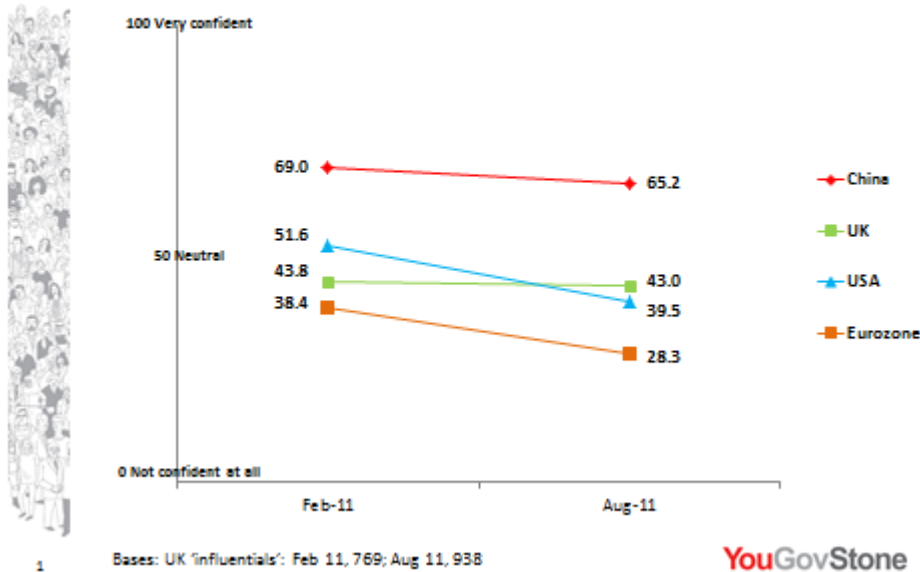


Eurozone and economics

Since we last asked the question about confidence in four of the world's leading economies back in February, the panel's confidence in all four of them has dropped. Confidence in the Chinese and UK economies has only slipped slightly, whereas it has dropped by 10 points for the eurozone and 12 points for the United States, following the protracted sovereign debt crisis and the downgrade of US debt by ratings agency Standard & Poor's.



Confidence in four leading economies

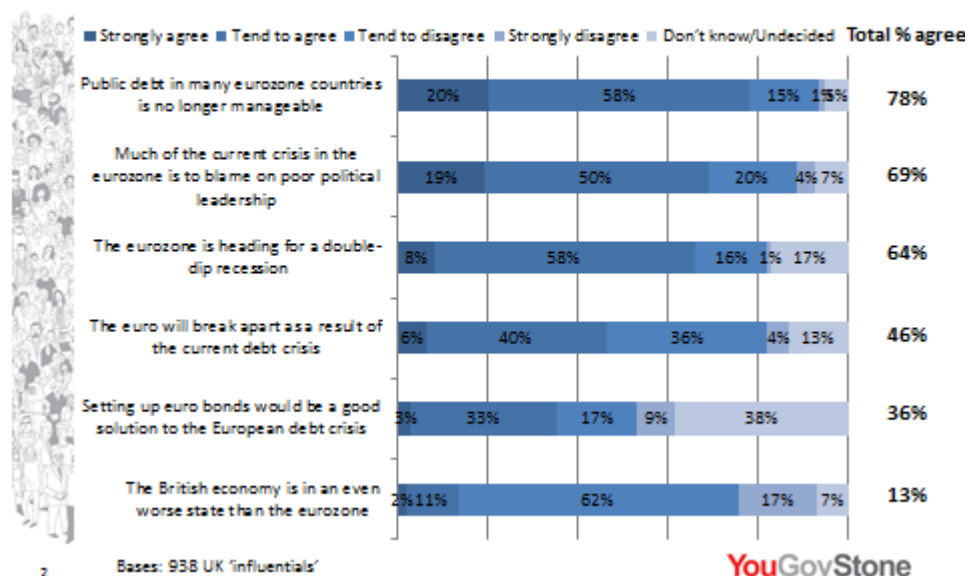


Delving into questions about the eurozone crisis, the panel is largely pessimistic. 78% agree that 'Public debt in many eurozone countries is no longer manageable'. A further 64% agree that the eurozone is heading for a double-dip recession, with just 17% disagreeing and the same proportion undecided. Even more, 78%, of those working in business anticipate a double-dip recession. The panel is also quite agreed on who to blame, with two thirds asserting that 'much of the current crisis in the eurozone is to blame on poor political leadership', with only a quarter disagreeing. Labour voters are however are less likely to blame the eurozone leaders, with only 54% agreeing. This may reflect the fact that their party was in power in the UK through much of the time in which debt levels were raised.

The panel is less certain about the future of the euro. 46% believe it will break apart as a result of the current debt crisis, but 40% disagree. Similarly, the ThinkTank is undecided over whether euro bonds would solve the crisis; 36% agree it would, but a quarter disagree, and the majority, 38%, are undecided. The influentials are more certain on how the British economy compares to the eurozone; only 13% agree that it is in an even worse state, with 79% disagreeing.



How far do you agree or disagree with the following statements?



UK economy and house prices

Asked specifically about the prospects of the UK economy, the ThinkTank is much more positive. Although almost nobody believes the UK will return to pre-recession growth within the next year, half believe this is possible within the next 2 to 5 years. Only a small proportion, 16%, does not think that the UK will return to pre-recession growth rates within the next decade.

On the house price front, not much movement is expected for the next year, with a mean expected growth of just 0.3%. One third of the panel believes that average UK house prices will not change in the next year. 29% expect a small rise between 1 and 5% and a further quarter believe prices will drop. And the outlook for house prices in two years' time is not much different, with a mean expected increase of only 2.2%.

Broken Britain?

The panel was also asked whether it believes Britain is broken, questioning whether today's social problems are far more serious than they were in the past. Although 75% of the panel does not agree that this accurately describes the area where they live, the verdict on Britain as a whole is divided. 45% believe that British society is broken, but 46% do not. Again we see a split along party lines, with over half of all Conservative panellists agreeing, but only a third of Liberal Democrats and 30% of Labour supporters. Respondents working in charities were also less likely to see Britain as a broken society.

Either way, social malaise is not seen as a specifically British problem; 55% of the panel think that British society is in a similar state to other Western European countries. Only a third think that British society is more broken down than its European neighbours.

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