



BBC World Service Poll:

International Opinion on Taxes and Government Spending



While most people believe that their government misspends more than half the money they pay in taxes, many are still looking to their government to play a more active economic role -- according to the findings of a new BBC World Service global poll.

The poll of 22,783 people, coordinated by GlobeScan/PIPA (Mexico sample conducted by the MUND Group), found that people estimated an average of 52% of the money they pay in tax is not used in ways that service the interests and values of the people in their country. Despite this lack of trust in government to spend tax money, the poll found on some measures there is a near global consensus for increased government action.

Nearly four in five around the world (78%), and majorities in all but one of 22 countries polled, think that government should subsidize food to keep prices for the consumer down, with only 18 per cent disagreeing.

Two-thirds overall (67%), and majorities in 19 out of 22 countries, think that government regulation and oversight of their national economy needs to be increased—the US, Turkey and Spain being the only exceptions.

Other government interventions achieve majority support, albeit slim. In 14 of 22 countries most people—on average 56 per cent—favor an increase in government spending to stimulate the economy. This includes large majorities of Egyptians (91%), Mexicans (80%), Russians and Indonesians (both 78%), and Nigerians (73%). But majorities are opposed in a number of industrialized countries that have had large stimulus programs—Germany (66%), France (63%) and the US (58%).

On average 51 per cent also want their government to take steps now to address their deficit and debt, while 39 per cent are opposed. The United Kingdom is among the countries where support for deficit reduction measures is higher, at 60 per cent.

Asked whether they would prefer their government to focus on tax increases or service cuts in dealing with their country's deficit and debt, in every country but Egypt more people said they preferred a focus on cutting services (on average 54%) than on increasing taxes (14%).

The results show that people who think a large proportion of their taxes are misspent are also less supportive of their government taking steps to address the deficit. While among those who estimate a third or less is misspent, a majority of 57 per cent is in favor of taking action on the deficit and debt.



Providing financial support to banks in trouble is only supported by forty-four per cent of those polled—lower than for any other government action measured in the poll. A total of 14 countries have majorities opposing more bank bailouts, with eight countries in favor. (See chart on page 3 of bulletin.)

Doug Miller, GlobeScan Chairman comments, *“As countries struggle to achieve economic recovery, citizens want more active government, but also more effective government intervention in the economy to meet the real needs of citizens, including stabilizing food prices.”*

Dan Lund, head of the MUND Group in Mexico, adds: *“Doug Miller is emphasizing the essence of taxes and government services. That coherent core is central to the proposition of a working government. However, there are times and places where the taxing policies and government service challenges seem opposed. It may be that some of the seeming contradictions in this BBC poll come from the confusion encouraged with political and policy leaders exhorting simplistic principles rather than explaining difficult problems and offering alternative solutions. In Mexico, at least, the level of discourse is very low.”*

The poll also asked consumers to say whether they expected their nation to experience good or bad economic times over the next year, and reveals that consumer expectations remain subdued, particularly in the world’s major economies.

On average across 21 countries over the next year only 30 per cent expect good times. Twenty-six per cent expect bad times and 36 per cent expect equally good and bad times. Among the 17 countries polled in 2009 and 2010, there was only a slight increase (two points) in those expecting good times and slight decrease (three points) in those expecting bad times.

In only five countries is the dominant view that in the next 12 months good times will return. All of these are developing countries led by India (62%), Nigeria (61%), and Brazil (57%), as well as China (51%) and the Philippines (43%).

The most pessimistic countries—those predominantly expecting bad times—are led by the developed countries, viz the United Kingdom (58%), France (54%), and also include the US (44%), and Spain (38%)—although the number of pessimists in Spain have dropped 19 points since 2009.

However some developing countries lean toward a pessimistic view as well— Mexico (54%), Pakistan (45%), and Turkey (41%).

For more detail, see charts on the next page of this bulletin.

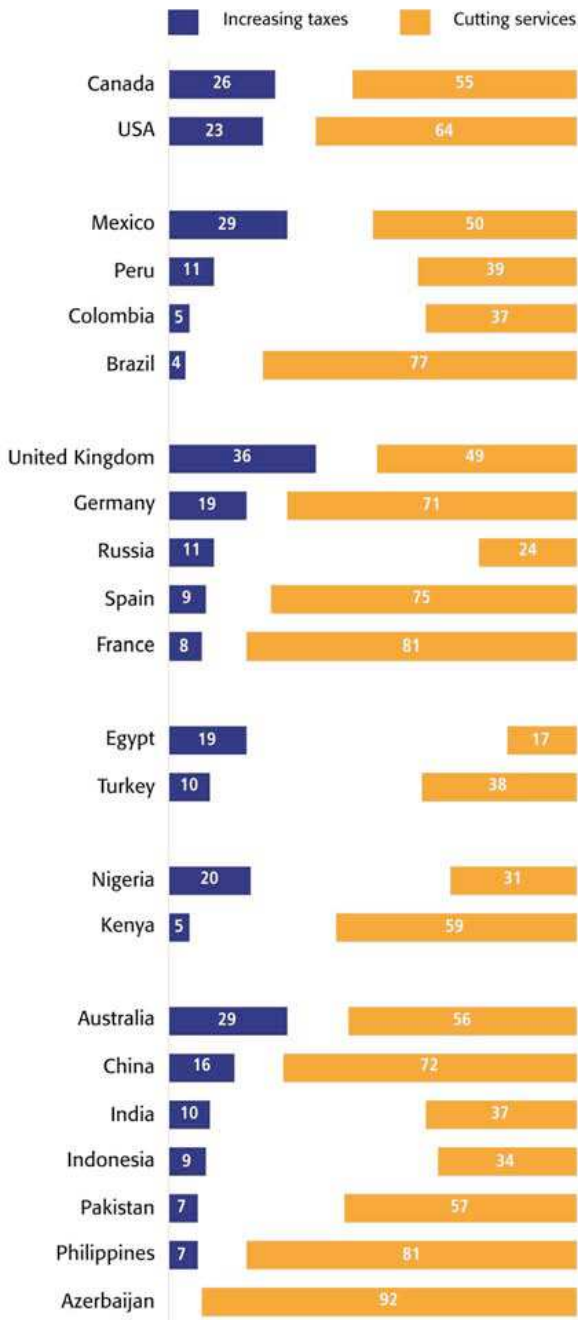
For more detailed findings of the poll in each of the 22 countries surveyed, see www.GlobeScan.com.

An excel file is available on the MUND website, www.mundgroup.com (see section on current BBC polls). The file may also be secured by a request directly to the MUND offices in Mexico City.



Preferred Focus for Government Approach to Reducing Deficit

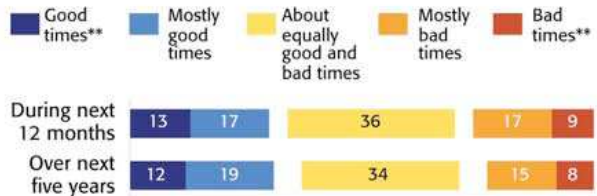
By Country, 2010



The white space in this chart represents "Neither," "Other," "Both," and "DK/NA."

Predicted Business Conditions in Country As a Whole

Average of 21 Countries,* 2010



*Average of 20 countries for "Predicted business conditions over next five years"

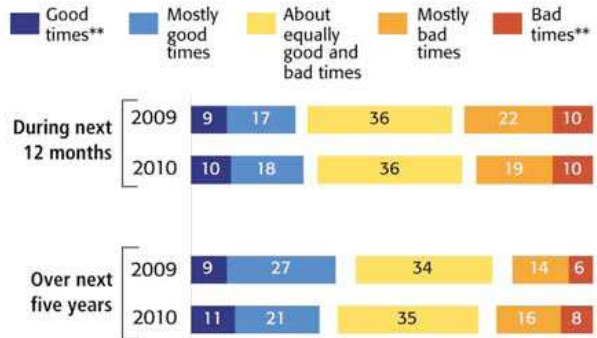
**"Continuous" good/bad times over the next five years

The white space in this chart represents "DK/NA."

Asked of half of sample

Predicted Business Conditions in Country As a Whole

Average of 17 Tracking Countries,* Trends: 2009–2010



*Tracking countries include Australia, Canada, China, France, Germany, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, the Philippines, Russia, Spain, Turkey, the United Kingdom, and the USA.

**"Continuous" good/bad times over the next five years

The white space in this chart represents "DK/NA."

Asked of half of sample in 2010



LATIN AMERICA

Brazil

Brazilians are quite high in global terms when they estimate what proportion of taxes is not spent in the public interest, at 63 per cent. A majority of Brazilians oppose taking steps to reduce the deficit and debt, (51% to 42%), but when required to choose, a large 77 per cent prefer cutting services to increasing taxes.

Six in ten Brazilians also oppose the idea of bank bailouts (60% to 37%). This represents a 14-point decrease since 2009. But they are still strong supporters of increasing government oversight of the economy (64%), although support dropped 11 points. Thirty-seven per cent is favorable to giving more power to international institutions to regulate the economy. This is below the global average and 13 points less than in 2009.

Brazilians are the third most optimistic about business conditions in the next 12 months. Almost six in ten (57%) predict good times, significantly higher than the global average (30%).

Colombia

Colombians have the highest estimate of all countries polled when asked their estimate of the proportion of taxes that are not spent in the public interest (74% compared to the global mean of 52%). A majority (56%) oppose taking steps to reduce the government's deficit, contrary to the global average in which 51% support such steps. Asked to choose, more Colombians favor cutting services (37%) to address the deficit than favour raising taxes (5%), but 45 per cent volunteer that they want neither of these options.

A large number (63%) oppose their government giving financial support to banks in trouble, a number significantly higher than the global average (50%) but similar to the South American average (65%). However, more than half (57%) favor increased government regulation and oversight of the economy, slightly below the global average of 67%. Colombians are also overwhelmingly supportive of lowering the price of food through subsidies (93%).

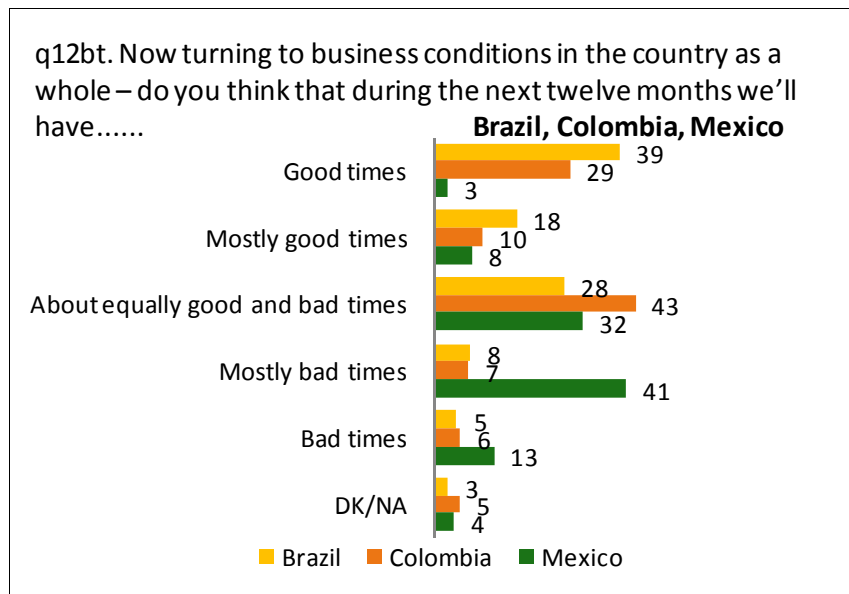
Mexico

Mexicans are in line with the global average in their estimate of the proportion of taxes that are not spent in the public interest (51% compared to the global of 52%). Only 28 per cent favour their government taking steps to reduce the budget deficit, a number significantly below the global average of 51%. Half (50%) prefer focusing on cutting services rather than increasing taxes in order to reach this end.

Mexicans overwhelmingly support an increase in government regulation (82%), a level of support much higher than the global average (67%). However, an overwhelming majority (83%) oppose their government giving financial support to banks in trouble, significantly higher than the global average (50%). In South America, they are the most favorable to increased government spending to stimulate the economy (80%, significantly above the 56% average).



Mexicans are markedly among the least optimistic about business conditions. Only 11 per cent predict good times in the next 12 months, and ten per cent when asked the question over the next five years.



Mexico is far and way the least optimistic of the three countries compared here.

NORTH AMERICA

Canada

Canadians think that 51 per cent of the taxes they pay are not spent in the public interest. One in two want their government to take steps to reduce the country's deficit, and prefer cutting spending (55%) over tax increases (26%) as a way to do it.

Just over one-fifth of Canadians still favor government bank bailouts (21%) compared to 39 per cent in 2009. This is significantly below the global average (44%). Canadians are also less favorable to increasing government spending to stimulate the economy than in 2009 (52%, down 16 points).

However, Canadian support for increasing government regulation of the economy is still high (63%) and close to the global average (67%). On the other hand, support to give more power to international institutions to regulate the economy has dropped eight per cent (41% in 2010).

Despite a ten per cent drop since last year, Canada is more optimistic than almost all other Western countries about business conditions: 26 per cent predict good times over the next five years.

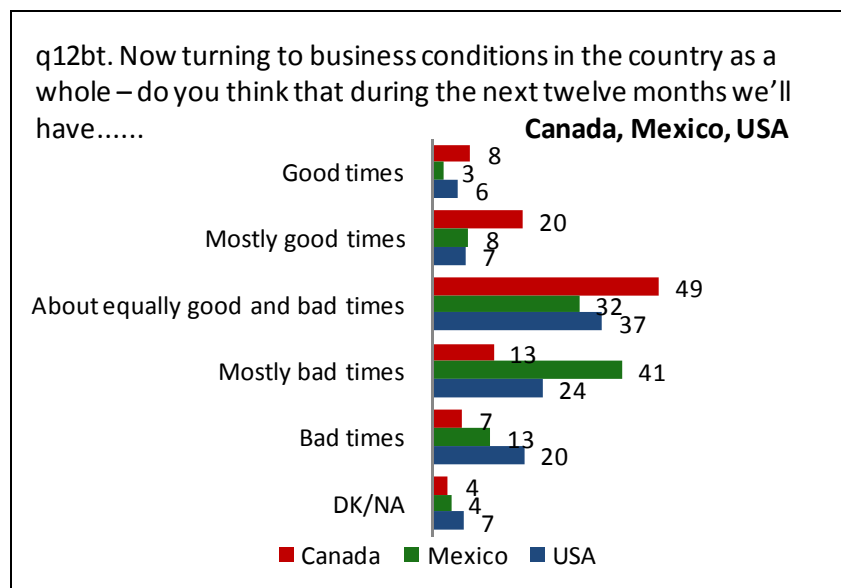


The United States

Americans consider that 55 per cent of the taxes they pay are not spent in the public interest, slightly above the global average (52%). Over half of Americans (52%) support their government taking steps to reduce the deficit, but they strongly prefer a focus on cutting spending (64%) over tax increases (23%).

Fewer Americans are favorable to increasing government spending to stimulate the economy this year (38%, down ten points since 2009) and fewer favor increasing government regulation and oversight of the economy (36%, down 14 points and the smallest proportion in any country other than in Turkey). Both figures are significantly below the global averages. They have become more pessimistic about the economic outlook, particularly over the next five years: half as many predict good business conditions (17% in 2010).

Americans are also the least supportive of giving more power to international institutions to regulate the economy (24%, down 17 points since 2009).



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