

Economic Turnaround, But How? – Results of a Survey on the Major Challenges for Germany

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Whether on industrial policy, climate policy or issues of inequality and globalization - which implementation politicians prefer often revolves around the question of what role the state and the economy, government and the market should play. The prevailing emphasis often changes over time. From the 1980s to the 2010s, both in practice and in the prevailing academic debate, there tended to be a strong reliance on free markets. Since the Great Financial Crisis, this was followed by a phase of correction in which government action began to play a greater role again - whether in the form of industrial policy or more strictly regulated financial markets. To what extent is this paradigmatic change reflected in public opinion in Germany? To what extent are former market-liberal guiding principles still anchored? And what new guiding principles are there? And what does this mean for the support or rejection of current policies in Germany - for active industrial policy, the reduction of inequality or climate policy?

As part of an extensive survey, the Forum New Economy, in collaboration with dpart, examined how people in Germany view major economic issues and the traction that once-dominant market-liberal and potential new narratives have on these issues. This report analyzes the results of the representative survey conducted in the fall of 2024, summarized under six major theses. The results confirm a deep-seated and cross-party skepticism towards a self-regulating economy for the benefit of all. Conversely, there is no unequivocal call from Germans for the state to intervene.

**This is the third and most comprehensive part of the analyses; [the first part](#) presented selected initial results; [the second part](#) dealt with opinions on public debt and the role of the state.*

Introduction

Is there an urgent need for less government to improve the economic situation in Germany? Or rather the opposite: more and better government? Economists, politicians and their advisors have been arguing about this question - at least since the previously dominant market-liberal model lost traction with the 2008 financial crisis. The dispute runs through almost all of the major challenges that are also shaping the German parliamentary election campaign at the turn of the year 2025: whether it concerns the right industrial policy; how to effectively stop climate change; how to shape globalization in times of geopolitical crises; or the possible reduction of inequality between rich and poor.

What do people think about this? Forum New Economy, in collaboration with dpart, has attempted to explore how people in Germany stand on these major issues: what causes discontent – whether in terms of globalization, climate policy, or inequality. And what do people expect from the economy and the state when it comes to defining well-designed industrial and climate policies that are widely accepted. Should the state use subsidies to attract manufacturers of strategically important industries (CHIPS) to Germany? How far does the acceptance of a climate policy that relies on CO₂ pricing go? Or is there primarily a need for less state intervention?

Experience shows that people's opinions are shaped not only by factual arguments but also by corresponding buzzwords and phrases. Therefore, a focus of the interviews was to test, in addition to the substantive positions, the traction of once-dominant market-liberal and potential newer narratives.

In the first phase of the project, typical phrases, key terms and narratives were identified, such as the statement that we must not leave "mountains of debt to our children." These statements were then discussed in two waves of group discussions in Leipzig and Bochum in May 2023. Six small group interviews with four participants each were conducted per city. For the subsequent representative survey, a total of 1986 people aged 16 to 80 were surveyed nationwide from October 18 to 30, 2024. The sample is representative of age, gender, educational level, and federal state. The primary aim was to test approval of certain narratives. In addition, direct positions on the major challenges were queried. More details on the data collection methodology can be found on the [dpart website](#).

The results are summarized in six major theses. As the surveys have shown, Germans are skeptical about the self-regulation of markets and the economy. However, this does not lead to an unequivocal call for state intervention, but rather to differentiated positions.

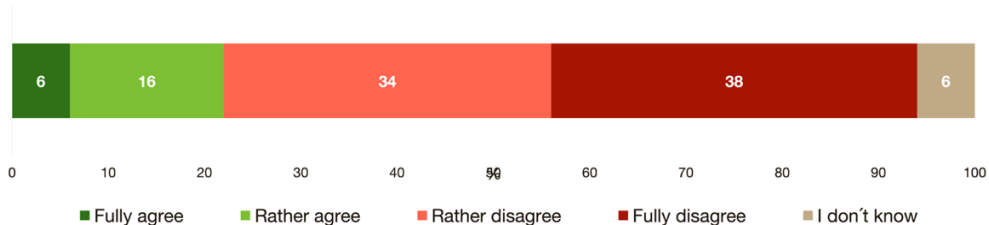
Doubts about the Self-Regulation of the Economy

Thesis: The majority of Germans express great skepticism towards the self-regulation of the economy and markets. Elected representatives should determine where society is heading.

"A society functions best when everyone thinks of themselves first." This statement was one of the iconic mottos of British Prime Minister Margaret Thatcher, who significantly contributed to the return of market-liberal dogmas from 1979 onwards. This motto also influenced the German Agenda 2010, which focused on reducing social security and increasing self-responsibility. It is also behind the ideas of libertarian actors like Argentine President Javier Milei or advisors to US President Donald Trump.

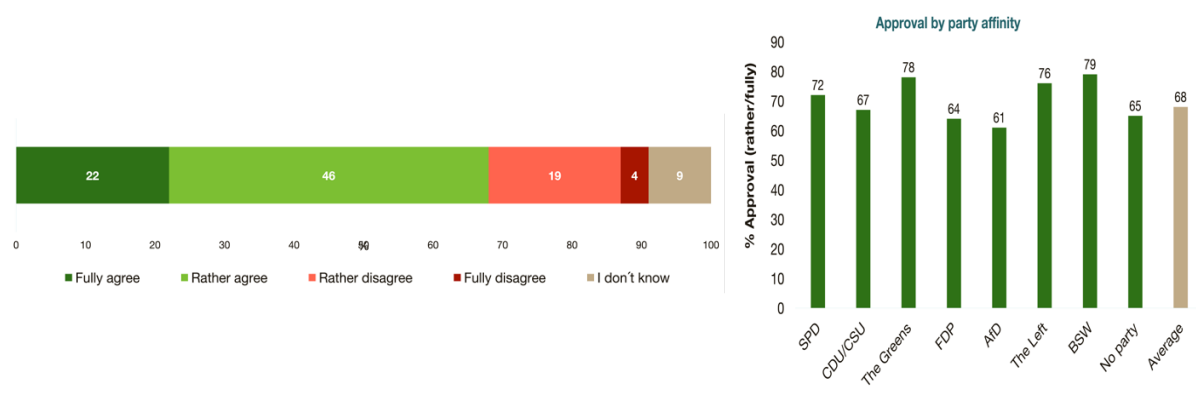
Several responses from the survey suggest how far Germans are from agreeing with such radical market-liberal concepts. Only a little more than 20 percent of people support the idea of the healing power of self-interest. More than 70 percent rather or completely disagree (Figure 1).

Figure 1: "A society functions best when everyone thinks of themselves first." (in %, N=1968)



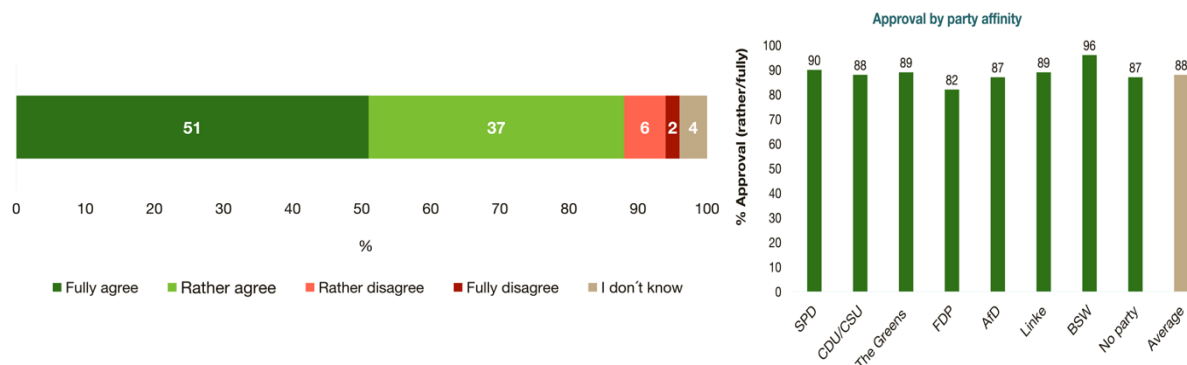
Similarly, a large majority of people in Germany (68 percent) believe that "society and its democratic representatives" should decide where the economy is heading "in general" – and "not the market alone" (Figure 2). Notably, there is a strong consensus on these fundamental questions across party preferences. Seventy-two percent of SPD and 67 percent of CDU/CSU voters believe that democratically elected representatives should co-determine the major trends. Even two-thirds of the economically liberal FDP supporters (64 percent) doubt whether the market alone should decide on major economic developments. The highest values are found among supporters of the Left, Greens, and BSW, with 76 to 79 percent.

Figure 2: "Where the economy is heading in general should be determined by society and its democratically elected representatives, not the market alone." (in %, N=1968)



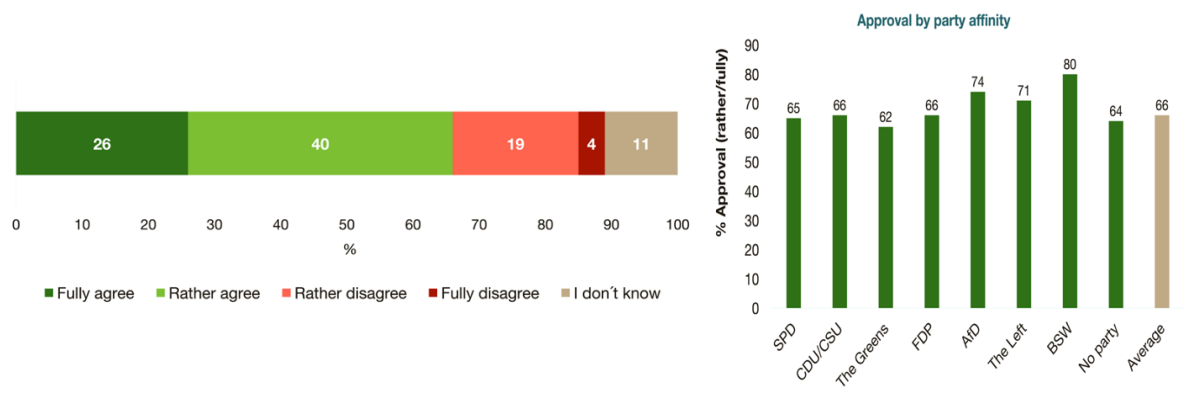
In this context, almost 90 percent agree with the statement that the economy "should ultimately serve the people," not the other way around (Figure 3). This also reflects a deep-seated skepticism about a self-regulating economy for the benefit of all. Again, there are few deviations across party sympathies. Approval rates range from 90 percent or more among SPD and BSW voters to 82 percent among FDP supporters.

Figure 3: "The economy should ultimately serve the people, not the other way around." (in %, N=1968)



The same applies to the perception of what globalization has brought. According to market-liberal ideas, more globalization should always create more prosperity – and the gains should outweigh the losses. Today, there are significant doubts about this in Germany. Two-thirds of people in the country agree that globalization has created "too many losers" and that it would not be good to globalize "at any cost" (Figure 4). Here, the parties are closely aligned, especially among the established parties: even among supporters of the economically oriented CDU and FDP, 66 percent each express criticism of globalization in its current form.

Figure 4: "Globalization has created too many losers. We should not strive for globalization at any cost." (in %, N=1968)



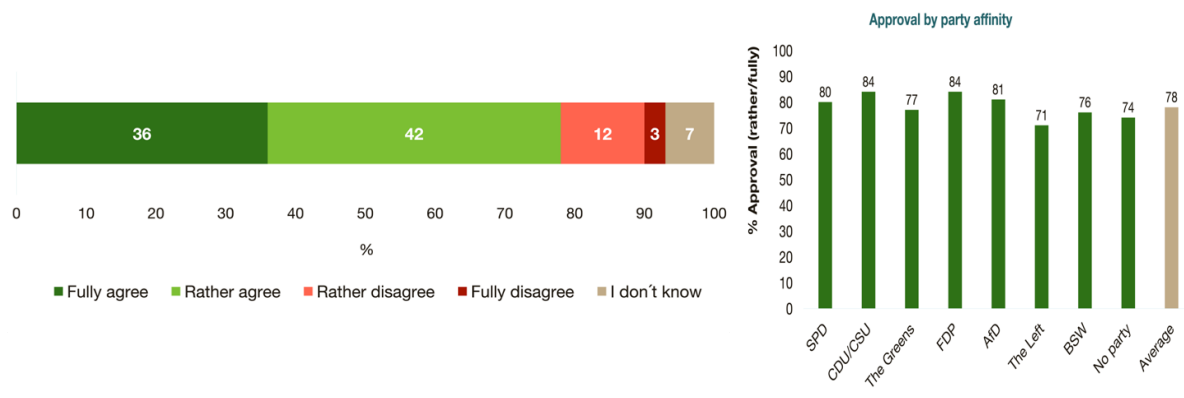
Conditional Call for the State

Contrary to what is often assumed, this skepticism towards a very liberal understanding of the economy, market, and globalization does not lead to an unconditional call for the state. And: when the state is called upon, it is not necessarily primarily to provide social safety nets – as if people are already in need. A majority is usually found when it comes to the

government and politicians creating the conditions for better economic development – so that individuals can take their fate into their own hands again.

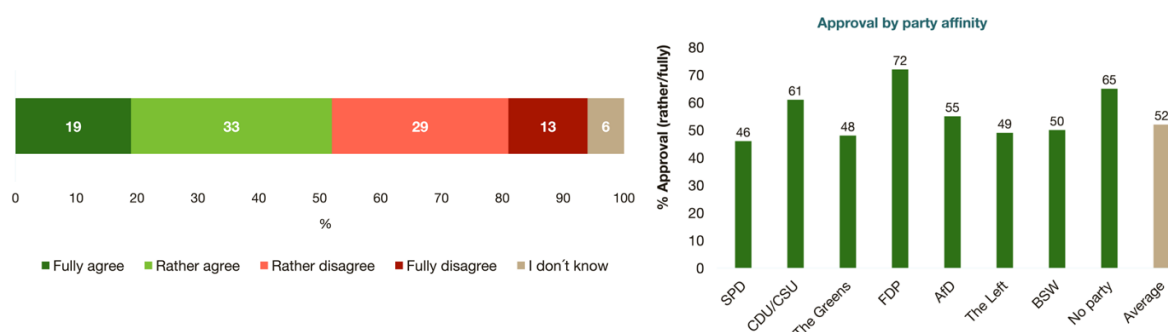
A fundamental trust in the power of the (private) economy is indicated by the fact that 78 percent of respondents agree with the slogan that a well-functioning economy is "the best social policy" (Figure 5). Here, too, there is broad consensus, with approval rates of 80 percent or more among SPD, FDP, and Union voters, as well as the AfD – and more than 70 percent even among those of the Left and BSW.

Figure 5: "If the economy is doing well, that is the best social policy." (in %, N=1968)



The fact that skepticism towards the market-liberal model does not lead to an unconditional call for the state is also evident in the responses to the question of whether "everyone is the architect of their own fortune" – and the state should only help in emergencies. Just over half of the people still agree with this. A good 40 percent no longer support this (Figure 6) – which is significant given that this has long been part of the basic understanding of German (upwardly mobile) society. Opinions on this question are particularly divided along party lines: 72 percent of FDP supporters count on everyone being the architect of their own fortune; among Green and SPD voters, it is only around 46 percent. In short: there is no broad consensus on this very fundamental question in Germany (anymore).

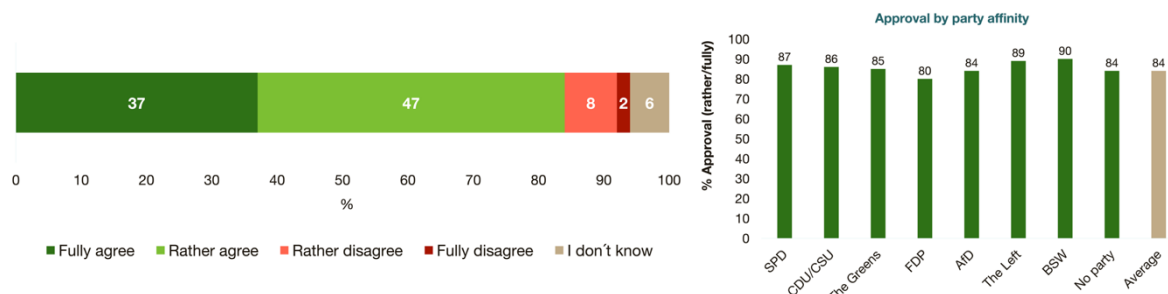
Figure 6: "Everyone is the architect of their own fortune. The state should only help people in emergencies." (in %, N=1968)



That all this does not equate to a fundamental and broad rejection of state aid is evident when it comes to more specific state functions. For example, 84 percent agree that the state should "create the conditions so that people are not overwhelmed by major upheavals" (Figure 7). Here, too, there is broad consensus: even 80 percent of FDP voters agree with

this statement. Approval rates are below this threshold for none of the parties. Although the formulation does not specify how the state should create these conditions, it is clear that it is about preventive action, not about compensating after the fact, as is often the case in conventional social policy.

Figure 7: "The state should create the conditions so that people are not overwhelmed by major upheavals." (in %, N=1968)

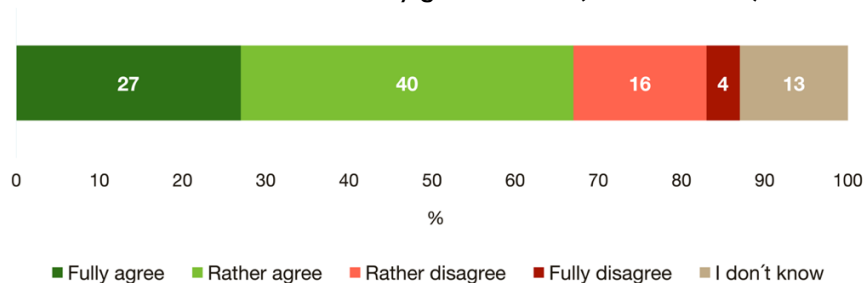


That people are more concerned with activating state aid than with social safety nets is also reflected in the more specific questions about what people think and expect from industrial and climate policy.

Back to the Market? Sympathy for Industrial and Active Climate Policy

Even in attitudes towards industrial and climate policy, a very differentiated picture emerges beyond the supposed exclusive choice between market and state. In terms of climate and energy policy, for example, a narrative that liberals and more conservative parties in particular are relying on is meeting with a great deal of sympathy: the openness to technology that should allow free competition to determine which technologies will prevail in society - for example to stop climate change. Sixty-seven percent of people in Germany agree with this principle - only one in five expresses little sympathy (Figure 8).

Figure 8: "To stop climate change, we need an open competition for the best solutions. The state should not set any guidelines." (in %, N=1968)

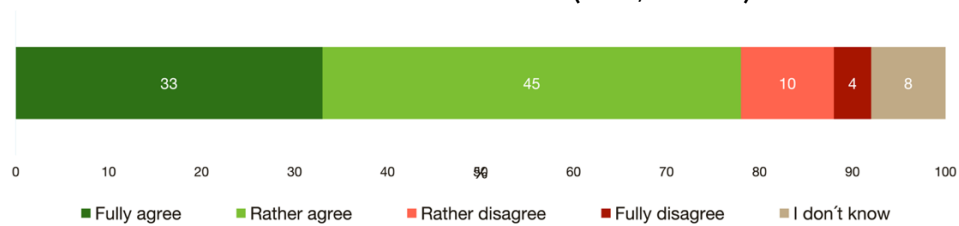


As revealed in the project's small group discussions, sympathy here is also strongly fueled by an emotionally charged rejection of the (supposed) ban on combustion engines in favor of electromobility.

The results on the fundamental question of technological competition seem to contradict

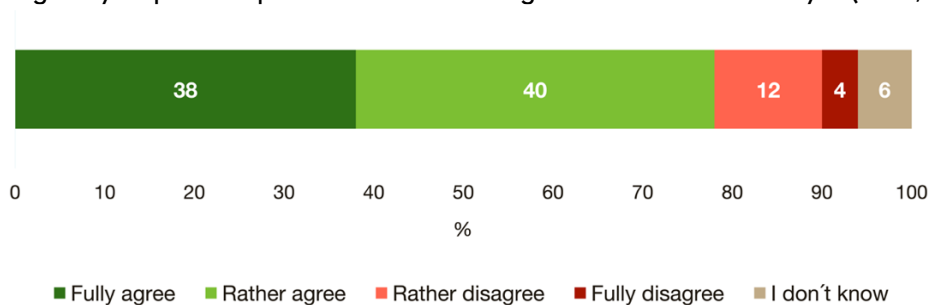
the responses to the question of whether the economy "alone" will ensure that climate change is stopped. Here, an equally large majority of almost 80 percent responds that the state should "first" create the conditions for this (Figure 9). The statements can logically be combined: if the state – as with the charging infrastructure for electromobility – has created the conditions, competition should ensure the best technology in detail. Only that the state already makes the fundamental decision about the direction (electric vehicles) here.

Figure 9: "The economy alone will not ensure that climate change is stopped. The state must first create the conditions." (in %, N= 984)



That it is the government's task to actively create good conditions is also reflected in the responses targeting the still controversial industrial policy in Germany. While many ordoliberal economists are skeptical here and reject subsidies to attract chip manufacturers (such as in Magdeburg or Dresden), Germans overall are quite open. This applies to both the above-mentioned climate policy and the geopolitically motivated industrial policy. For example, almost 80 percent of Germans agree with the statement that politicians should ensure that the country is less dependent on other states and that strategically important productions are brought back to the country (Figure 10).

Figure 10: "Politicians should ensure that the country is less dependent on other states and that strategically important productions are brought back to the country." (in %, N= 1968)



Here, too, there is broad consensus. Seventy percent of FDP voters and even 82 percent of CDU/CSU supporters are in favor of this type of industrial policy for the sovereignty of their own country. Both political camps had strongly criticized corresponding attempts by the Green Federal Minister of Economics.

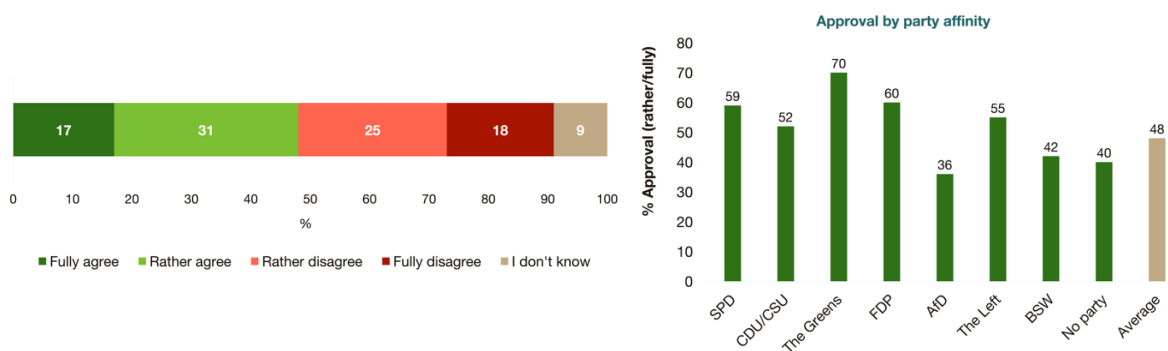
Climate Policy through Incentives, not Punishment

A credo of climate policy has always been to deter climate-damaging behavior. Both the Greens and market-liberal economists have long relied on the regulatory effect of CO2 pricing. According to the principle: if the price of gasoline rises, the incentive to switch to an

electric car increases. In recent years, criticism of this fundamental approach has grown – because CO2 pricing only indirectly affects people's behavior; and because there are always massive social resistances against attempts to make emission-intensive behavior more expensive.

As the survey shows, there is no longer a majority for the principle of climate policy through higher costs for harmful behavior: only 17 percent fully agree with the principle, and another 31 percent "rather" agree (Figure 11). In contrast, almost half (43 percent) are against it. Here, too, there is a strikingly large split along party sympathies. While 70 percent of Green voters rather or fully agree, only 52 percent of CDU supporters do – and only 36 percent of AfD voters.

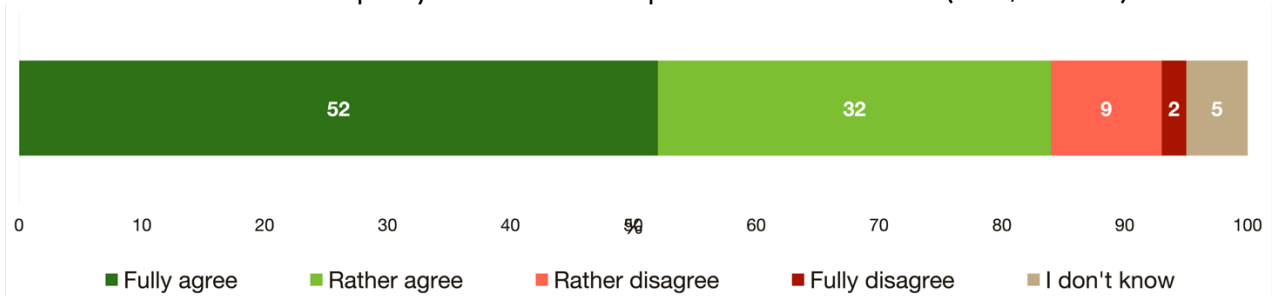
Figure 11: "Politics should make everything that is harmful to the climate more expensive. Then people will behave more climate-friendly on their own." (in %, N=1968)



As survey evaluations have shown, support for the AfD has grown significantly in Germany, especially since the inflation shock of 2022. This aligns with why AfD voters also react particularly negatively to climate policy-motivated price increases. Conversely, such a policy would tend to increase support for the AfD.

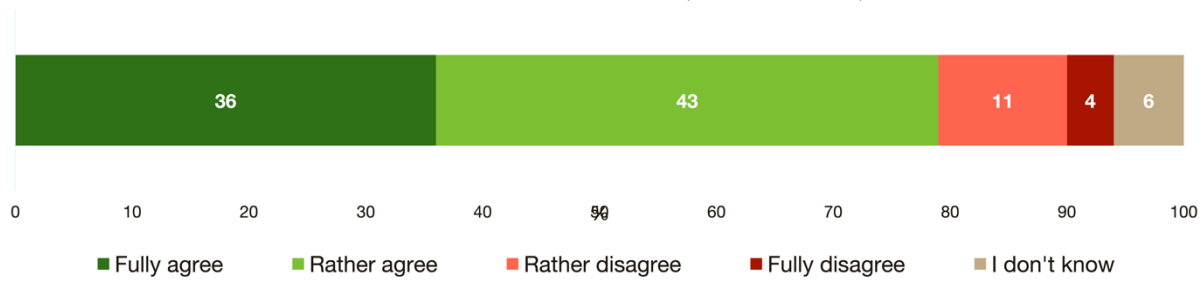
That all this does not necessarily speak against an ambitious climate policy can be inferred from the responses to the question about alternatives. More than 80 percent of people consider it especially unfair to make driving or heating more expensive "if people have no affordable alternative" (Figure 12) – for example, if electric cars are still significantly more expensive.

Figure 12: "Making driving or heating more expensive is unfair if people have no affordable alternatives. Climate policy should not be a question of the wallet." (in %, N=1968)



Accordingly, there is high approval for a policy that rewards and subsidizes climate-friendly behavior rather than punishing polluting behavior. Thirty-six percent fully agree with this – and another 43 percent "rather" agree (Figure 13). The high rates suggest that there is also a correspondingly large willingness to contribute to the green transition.

Figure 13: "It is better not to punish people. Instead, climate-friendly behavior should be rewarded and subsidized." (in %, N=1968)



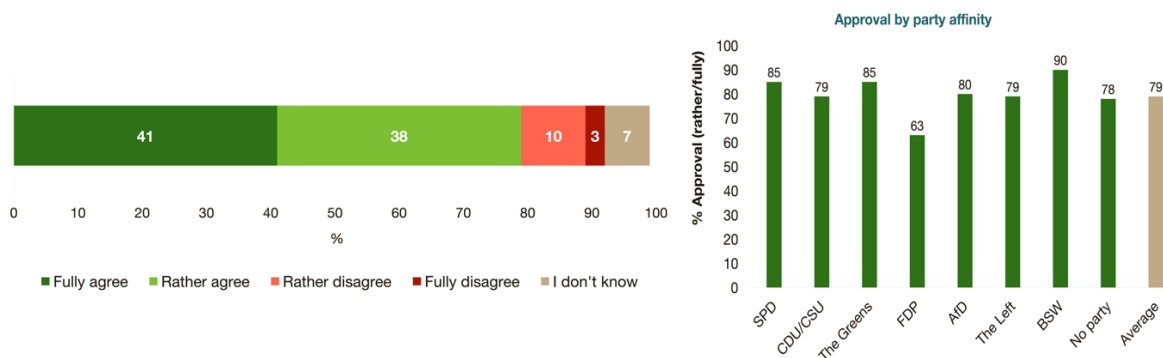
Dissatisfaction with the Extent of Inequality in the Country

The unequal distribution of income and wealth is a highly emotional topic of debate in Germany. It concerns the measured inequality, about which experts increasingly agree – and even more so, what extent of inequality is problematic or simply reflects different performance.

As [surveys](#) by the Forum showed five years ago, a large majority of Germans now see the wealth gap as a threat to social cohesion. This is confirmed by the current wave of surveys. Seventy-five percent say that inequality is becoming a problem for social cohesion. Only 5 percent see no problem at all.

How much the gap is perceived as a problem is also shown by the significantly increased doubt that different incomes and wealth simply reflect different performance. Nearly 80 percent of Germans agree that the differences "no longer correspond to the performance" of people in the country (Figure 14). This reflects fundamental doubts even about a more conservative understanding that hard work must be rewarded. There are deviations according to party preference. However, even among FDP supporters, those who now doubt the appropriateness of the gap are clearly in the majority (63 percent).

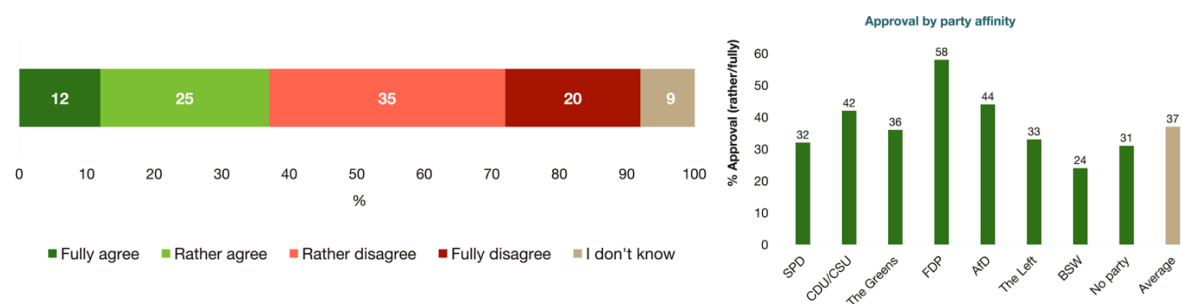
Figure 14: "The gap between rich and poor in Germany no longer corresponds to the performance of people." (in %, N=1968)



The finding seems clear and little disputed. The answers are far less clear when it comes to what should be done to reduce the gap. This applies, for example, to the question of whether taxes on the rich should be increased to reduce inequality. Almost 40 per cent (Fig. 15) of

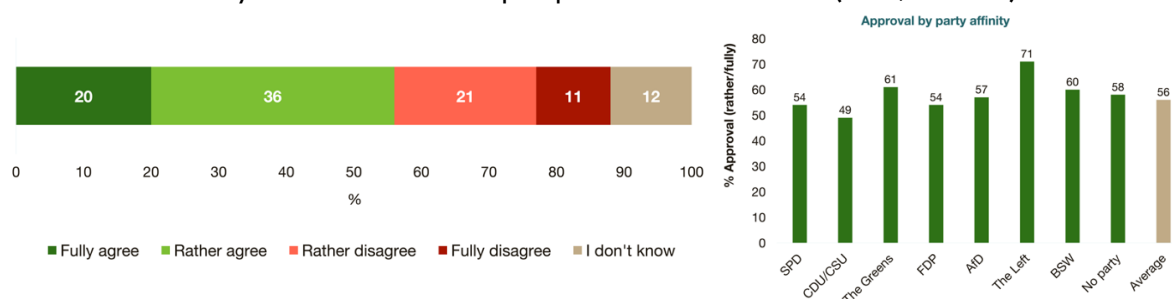
respondents say that the rich have 'worked hard' for their wealth - and should therefore not be punished with higher taxes. At least slightly more than half (55 per cent) disagree or somewhat disagree and consider higher taxation to be appropriate. Even among FDP supporters, only a relatively small majority (58 per cent) do not consider wealth to be justified across the board. And: among CDU voters, only 42 per cent agree that the rich deserve their wealth (across the board); among the others, there is definitely sympathy for higher taxes.

Figure 15: "The rich have worked hard for their wealth and should not be punished with high wealth and inheritance taxes." (in %, N=1968)



An alternative to raising taxes on the rich has been discussed for some time: providing young people with kind of a 'start-up capital' (or basic inheritance). Calculations have shown that wealth inequality could be reduced much faster with such state start-up aid (of about 30,000 euros) than even with higher taxation of wealth or inheritances. This solution finds quite a bit of sympathy among respondents. Fifty-six percent agree with the option of start-up capital; only 32 percent are skeptical (Figure 16). Broken down by party sympathy, approval rates are almost consistently over 50 percent (with the exception of the CDU, where approval is still 49 percent). It is highest among Left voters (71 percent).

Figure 16: "Since today you are either born into wealth or not, the state should ensure that everyone receives start-up capital from the state." (in %, N=1968)



Public Debt for Investment Acceptable

The fundamentally skeptical attitude of Germans towards state debt is proverbial. The Swabian housewife is considered a symbol of this. This has not fundamentally changed. Nevertheless, it is becoming apparent that attitudes are changing – and that the categorical rejection of public debt is much less common today than the image of Germans suggests. The survey results show: there is now a very widely shared perception that the state urgently

needs to invest more – and significant approval for financing these expenditures through public debt. A detailed analysis of the opinion on public debt, based on the survey results, can be found in a separate [report](#).

Conclusion

Almost everyone agrees that the German economy is in crisis. But how to solve the challenges and get the economy back on its feet – this is currently being hotly debated in the federal election campaign. At the heart of the controversy is always the question: more market or more state? This study, based on a representative survey, provides insight into how people in Germany stand on this and related questions and which narratives are supported and which are not.

The vast majority of people in Germany do not believe in a self-regulating economy for the benefit of all. There is broad consensus across party lines that the decision on where the economy is heading should not be left to the market alone but should be made by society and its democratic representatives. Finally, almost 90 percent say that the economy should serve the people, not the other way around.

Contrary to what is often assumed, however, this skepticism does not confirm that Germans are therefore indiscriminately calling for the state - that there is a 'comprehensive cover mentality', as liberal critics occasionally say. The state should create the necessary conditions for better economic development and ensure that people are not overwhelmed by upheaval. At the same time, just over half of those surveyed still believe in individual responsibility in the sense of 'everyone forges his/her own destiny'. The vast majority of people are clearly more interested in preventative and activating help from the state than in social support.

This attitude is also reflected in the opinion on industrial and climate policy. Almost 80 percent of people support a policy that rewards and subsidizes climate-friendly behavior rather than making climate-damaging behavior more expensive. There is no longer a majority for the principle of climate policy through higher costs for harmful behavior, although there is a significant split along party lines. There is broad consensus that such a policy is unfair as long as affordable climate-friendly alternatives are not available.

Three quarters of people in Germany see the unequal distribution of income and wealth as a threat to social cohesion. What's more, for a large majority, the disparity is no longer in proportion to performance - even among supporters of the FDP and CDU-CSU, whose economic self-image is very much based on the principle of performance. However, people disagree when it comes to measures to reduce inequality. For example, a narrow majority is still against higher taxes for the rich.

The rejection of government debt is much less strong among people in Germany today than the image would suggest. There is a very broadly shared perception that the state should urgently invest more - and significant support for financing this expenditure through public borrowing.

Annex

Figure A-1: Approval of narratives in the topic area 'Overarching narratives' (in %)

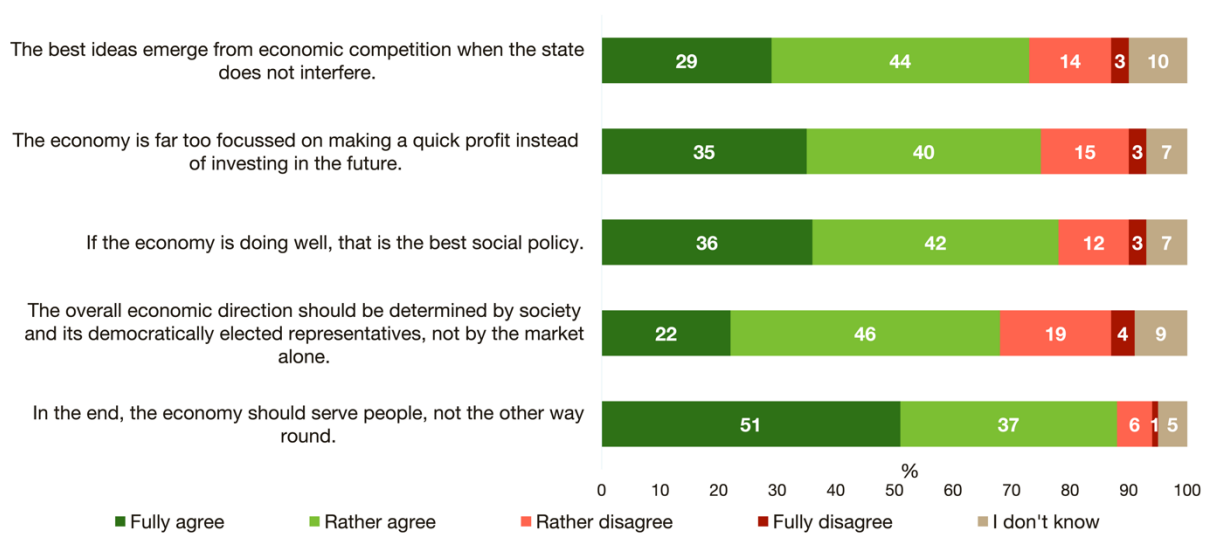


Figure A-2: Approval of narratives in the topic area 'Rethinking the state' (in %)

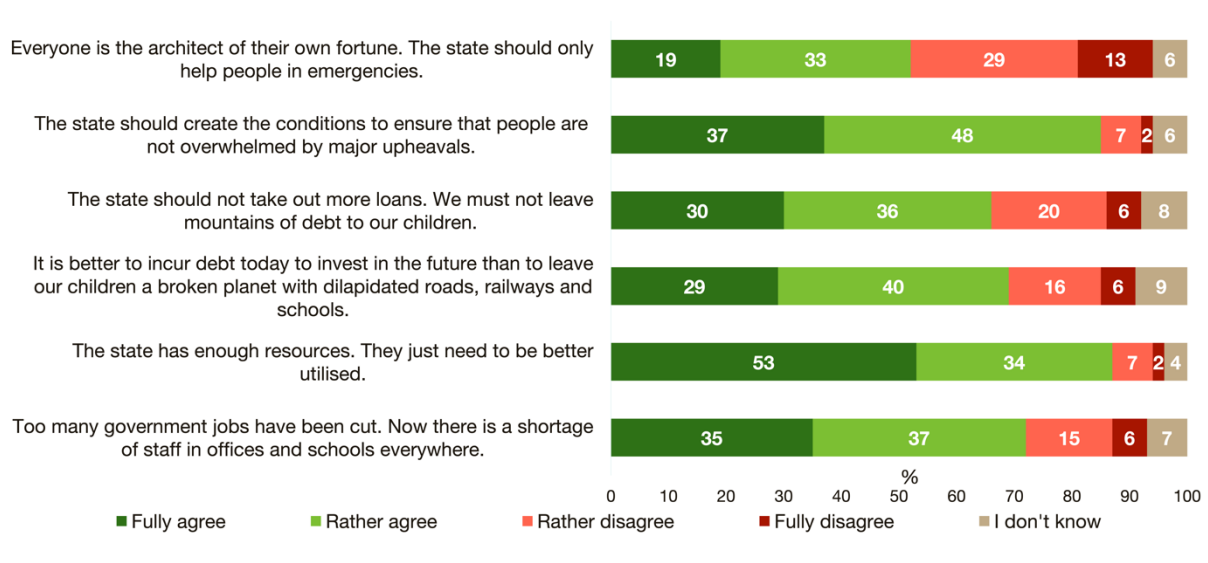


Figure A-3: Approval of narratives in the topic area 'Globalisation For All' (in %)

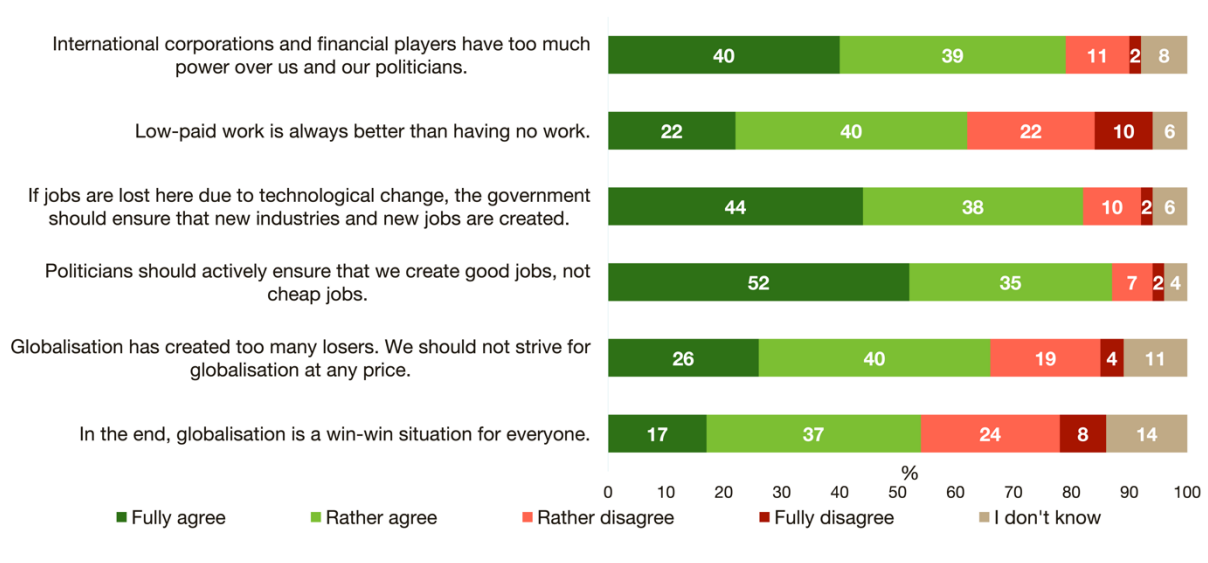


Figure A-4: Approval of narratives in the topic area 'Modern Climate Policy' (in %)

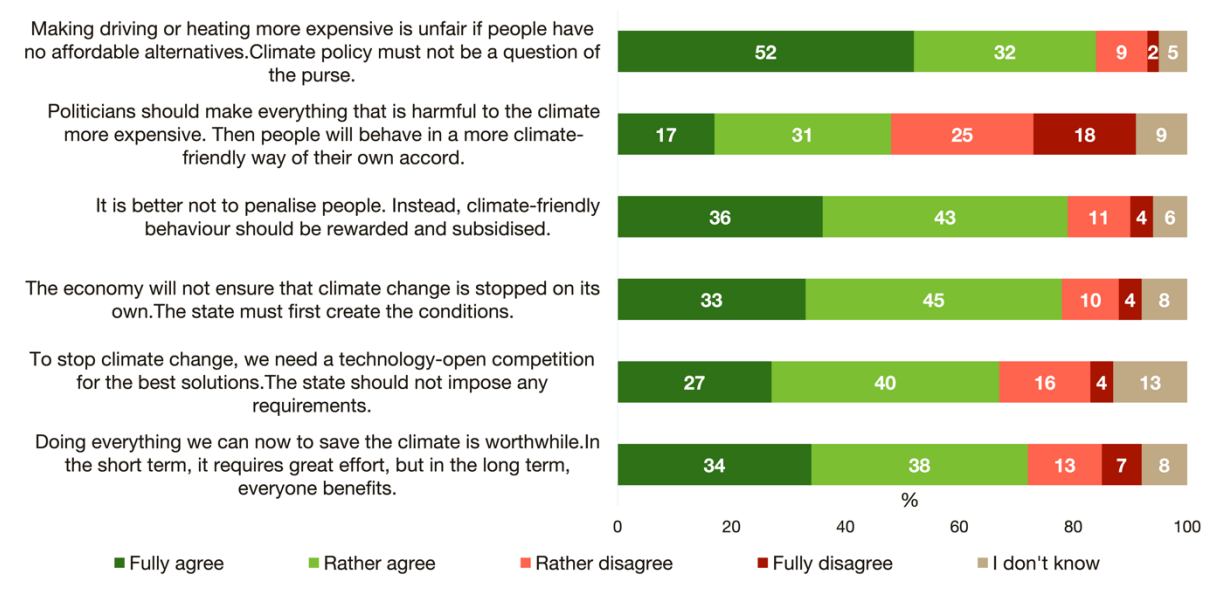


Figure A-5: Approval of narratives in the topic area 'Reducing Inequality' (in %)

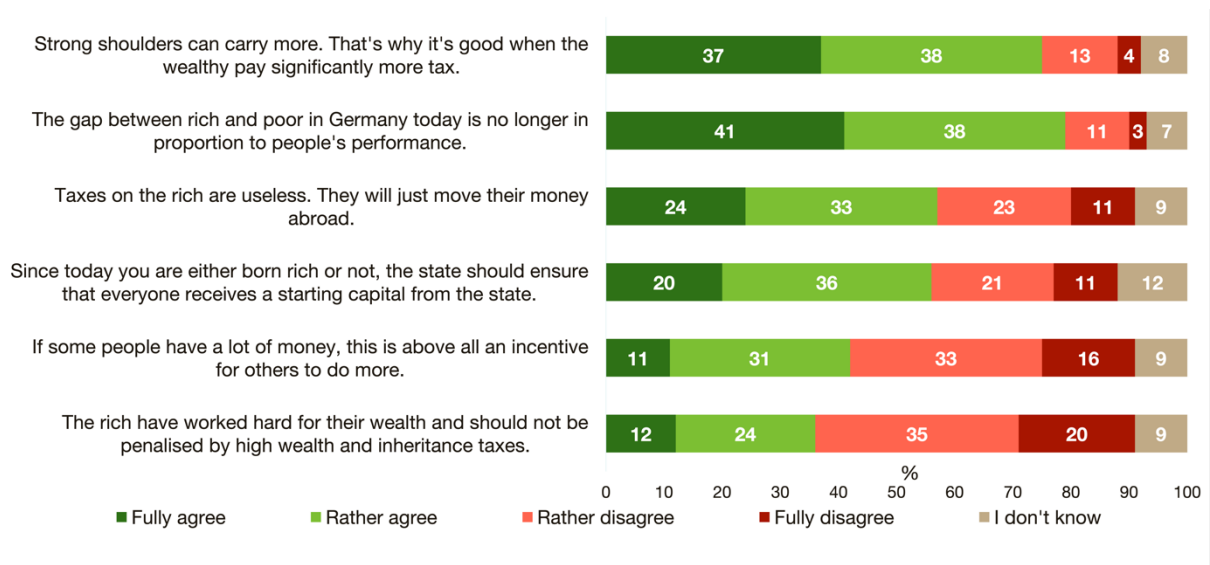
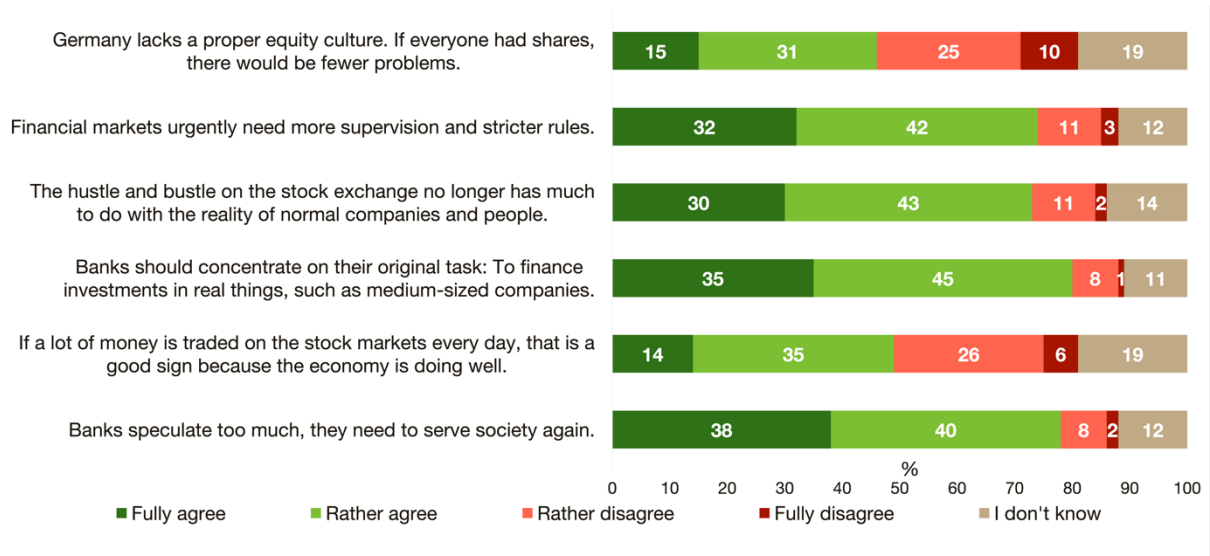


Figure A-6: Approval of narratives in the topic area 'Remaking Finance' (in %)



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