

20 Nation Poll Finds Strong Global Consensus: Support for Free Market System, But also More Regulation of Large Companies

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Companies Seen as Having Too Much Influence on Government

[Questionnaire/Methodology](#)

A new poll of 20 countries from around the world finds a striking global consensus that the free market economic system is best, but that governments should also do more to regulate large companies. In all but one country polled, a majority or plurality agreed with the statement that "the free enterprise system and free market economy is the best system on which to base the future of the world." On average, 61% agreed while 28% disagreed. The poll of 20,791 individuals was conducted by the international polling firm [GlobeScan](#) and analyzed in conjunction with the Program on International Policy Attitudes (PIPA) of the University of Maryland.

Ironically, the country that showed the highest level of support for the free enterprise system was China, with 74% agreeing that it is the best system. Others that were nearly as enthusiastic were the Philippines (73%), the US (71%), and India (70%).

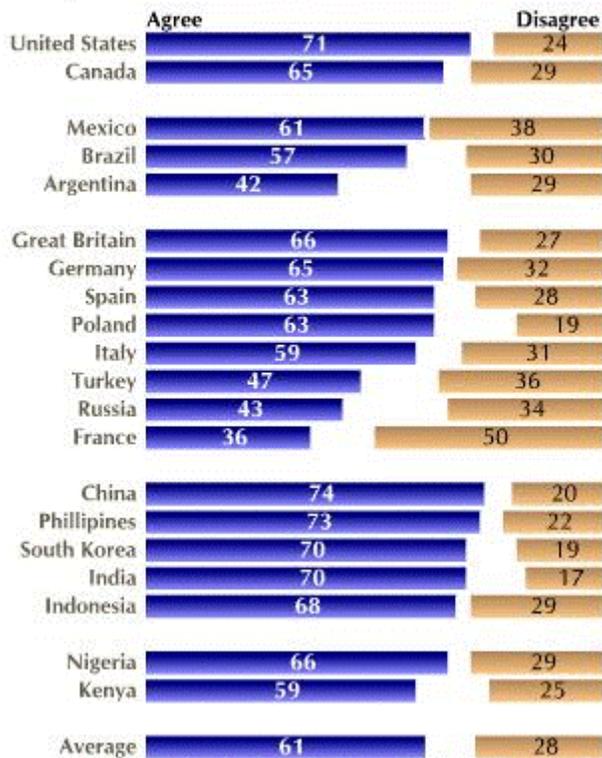
France was the one country where most did not agree with this proposition. Only 36% of the French agreed that the free market economy is the best system, while 50% disagreed. Others that only showed plurality support for the proposition were Argentina (42% agree), Russia (43%), and Turkey (47%). In all other cases, agreement was 57% or higher.

At the same time, there is even greater consensus in favor of more government regulation of large companies. Solid majorities in every country favored more regulation of large companies to protect the rights of workers (mean 74%), the rights of consumers (mean 73%), and the environment (mean 75%). Support for more regulation reached at least two-thirds in every country except Russia and Germany, where support was consistently in the mid 50s, and South Korea, where 54% supported greater regulation to protect workers. In Russia, however, 17-18% favored more enforcement of existing regulations to protect workers, consumers and the environment. A majority in 15 of the 20 countries also favored greater government regulation to protect the rights of investors (mean 54%).

Broadly, most agreed that "The free enterprise system and free market economy work best in society's interests when accompanied by strong government regulations." This view was endorsed by two out of three overall (65%). In 18 countries this was endorsed by a clear majority, with Indonesia (86%), the Philippines (77%), and China (76%) being the most definitive. It was endorsed by a plurality in Poland (47%) and attitudes were divided in South Korea (46% agreed, 43% disagreed). In not a single country did a plurality or majority disagree.

Free Market System

The free enterprise system and free market economy is the best system on which to base the future of the world.



GlobeScan, 6-8/2005

Steven Kull, director of PIPA, comments: "In one sense we are indeed facing what has been called 'the end of history,' in that there is now an extraordinary level of consensus about the best economic system. But this is not the victory of one side of the dialectic. While there is overwhelming support for free markets, there is also near-unanimous rejection of unbridled capitalism, with people around the world overwhelmingly favoring greater government regulation of large companies and more protection of workers and consumers."

While there is consensus in support of the vitality of free markets, there are also somewhat ominous signs of concern that the system may not be working as it should. In nearly every country, large majorities agree that "Large companies have too much influence over our national government." On average, 73% agreed with this statement.

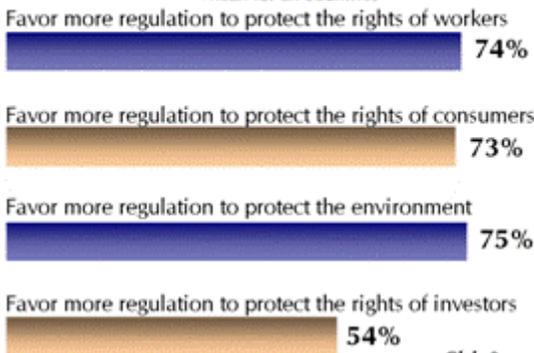
In several countries people were especially emphatic, with large percentages saying that they strongly agreed with this statement--Mexico (88% agree, 74% strongly), the United States (85% agree, 59% strongly), and Spain (84% agree, 58% strongly).

Only three countries did not overwhelmingly endorse this statement. Nigeria was the one country where a slight majority (51% to 41%) disagreed. China was divided (47% agreed, 44% disagreed) and a more modest majority agreed in Turkey (59%).

Confidence in companies is not very high. The survey asked respondents how much they trust a number of institutions "to operate in the best interests of our society."

Support for Increased Government Regulation of Large Companies

-Mean for all countries-

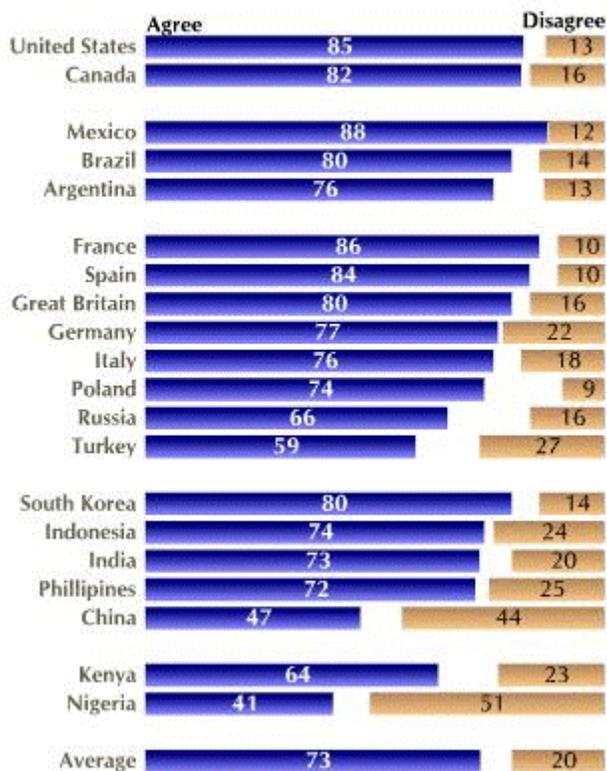


GlobeScan, 6-8/2005 Global companies operating in their country

received the lowest ratings. On average 41% expressed trust, with only 7% saying they had a lot of trust and another 34% saying they had some trust. Just over half said they had not much trust (33%) or no trust at all (19%). But there was substantial variation between countries. Mid-level countries expressed the highest levels of mistrust--Russia (70%), Argentina (68%), Brazil (64%), Turkey (61%). Developed countries were also quite mistrustful, especially in Europe--Italy (66%), Germany (62%), France (61%), and Spain (60%). People in other developed countries are also mistrustful but in smaller numbers--South Korea (55%), US (52%), Canada (50%). People in many developing countries did express trust, especially Nigeria (67%), Kenya (65%), and China (60%). Overall, people in 13 countries were more likely to say that they were mistrustful, five were more likely to express trust and two were divided (Mexico and the Philippines).

Influence of Large Companies

Large companies have too much influence over our national government.



GlobeScan, 6-8/2005 Large national companies received ratings more

evenly mixed. On average 49% said that felt a lot of trust (8%) or some trust (41%), while 47% said that they felt not much (32%), or no trust (15%). Here again there was substantial variation between countries. Again, developing countries were the most apt to express trust--Indonesia (69%), India (64%), China (63%), Kenya (61%). Mid-level countries were mostly mistrustful--Brazil (63%), Russia (57%), Poland (55%), Argentina (54%)--but there were exceptions, with majorities expressing trust in Mexico (58%) and Turkey (54%). In developed countries, trust in national companies was fairly low (though not as low as for global companies), with majorities expressing mistrust in Germany (64%), South Korea (58%), and Spain (56%). But here too there were exceptions, with a majority expressing trust in Canada (59%) and views divided in Britain, the US and Italy.

GlobeScan President Doug Miller comments, "It's a good news/bad news story. While the string of corporate scandals worldwide has undermined trust in large companies, it has not broken the public's faith in the free enterprise system overall. However, our research reveals formidable public pressure for more regulation of the system. To keep ahead of this regulatory curve, companies will need to increasingly demonstrate that they are operating in society's best interest rather than just their own. The social contract needs to be re-built around the free market."

These findings are drawn from the 2005 GlobeScan Report on Issues and Reputation, based on a global public opinion poll with citizens across 20 countries (n=1,000 in most countries), conducted between June and August 2005 by research institutes in each participating country,

under the leadership of GlobeScan. (A full list of participating institutes, with contact details, is available at: www.weforum.org.) Each country's findings are considered accurate to within 3 percentage points, 19 times out of 20.

Variations by Education and Income

In aggregate, agreement that the free market system is best was higher among those with high education (64%) than low education (56%), as well as those with very high income (66%) as compared to those with very low income (59%), but the differences were slight.

The view that large companies have too much influence over national governments follows the same pattern. Those with high education were more likely to agree (79%) than those with low education (69%). Contrary to the stereotype that very-high-income people perceive the influence of large companies as serving their interests, those with very high incomes were more likely to agree that such companies have too much influence (77%) than those with very low income (66%).

Majority support for greater regulation to protect the rights of workers was a bit higher among those with low education (78%) than with high education (68%), and by those with very low income (80%) over those with very high income (71%), but the differences were strikingly slight. The same pattern obtained for greater regulation to protect the rights of consumers, but the variation was even smaller.

Interestingly, the same pattern obtained for greater protection of the rights of investors, with 56% of those with low education favoring more regulation as compared to 50% among those with high education, and 59% of those with very low income as compared to 50% among those with very high income. Though those with higher education and income are more likely to be investors, those with low education and income are more likely to think that investors need government protection.

No significant variation was found by education or income regarding government regulation of the environment.