

# The Future of the Russian-American Business: What Do Opinion Polls Tell?

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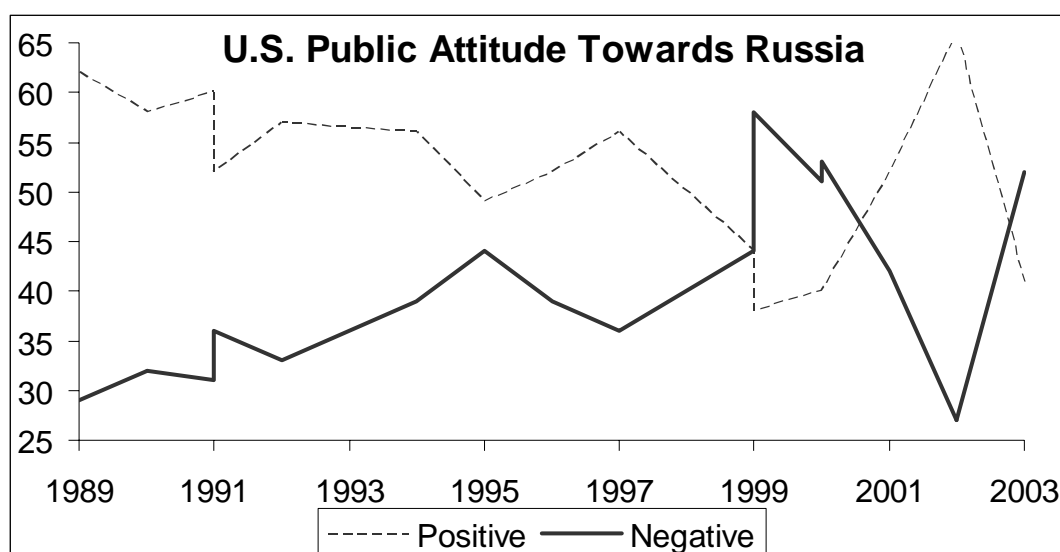
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Were Russians friendlier towards Americans a couple of years ago? Do most Americans view Russia positively or negatively now and was it always the case? Do young Russians and Americans support their presidents, war in Iraq, legalization of drugs? What parties would they vote for in the upcoming elections? And what all this means for your business today and in the future?

This report will address these questions and offer you exclusive and most recent information on public opinion polls in Russia and the United States. It will place a special emphasis on youth (18-30 year old) as we believe that the next generation will be instrumental in future U.S.-Russian business relations. Read on and do your strategic business planning accordingly!

### Issue 1. How do Americans and Russians Perceive Each Other?

First, we offer you a never before published chart, showing an amazing 'roller-coaster' of the U.S. public perception of Russia in the past decade.



*Source:* The Gallup Organization

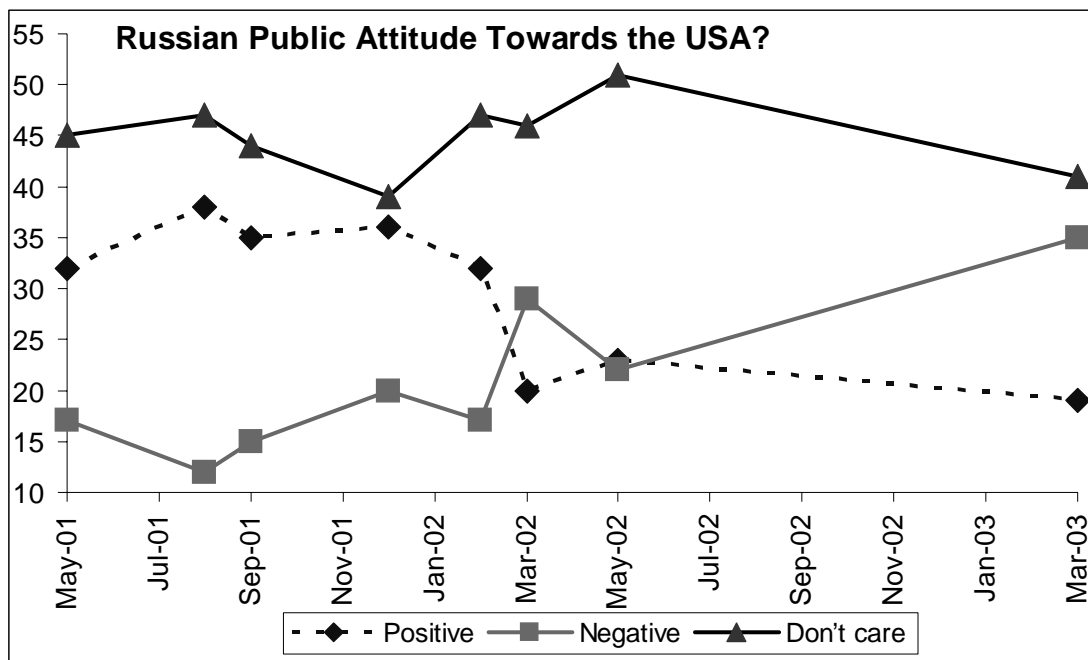
After the break-up of the Soviet Union, the air was full of hope. In the United States, an overnight makeover of the 'evil empire' to the land of 'perestroika' was greeted with great hope. Gallup polls show how more than 60% of Americans had a positive attitude towards Russia compared to less than 30% who had a negative attitude in 1989. However, a road to democracy for Russia turned out to be a hard and long one. Russia proved to be a 'rough terrain' for the U.S. businesses, and an unpredictable partner in foreign affairs. Not surprisingly, the attitude of Americans toward Russia started to cool off. By 1995, numbers of those with positive and negative attitudes split almost at 45% each. Confrontations over NATO's mission in Former Yugoslavia and the Russian financial crisis of 1998 made Americans

very skeptical of Russia – in 1999, for the first time since the break-up of the Soviet Union, a number of people with a negative attitude towards Russia outnumbered those with a positive attitude (approx. 35 positive vs. 60 negative).

Nevertheless, September 11, 2001 had changed everything – Putin’s phone call to Bush immediately after the attack, and his firm backing of the anti-terrorist efforts of the United States had won Russia political support. Simultaneously, Russia’s unprecedented economic growth and reforms swung the mood of the U.S. business community. All that resulted in the most positive attitude towards Russia U.S. public ever had – in 2002 more than 65% had a positive attitude towards Russia compared to about 25% who had a negative one.

The Second (2003) war in Iraq, and Russia’s unexpectedly tough position on U.S. military operation, appears to be yet another test for the U.S.-Russian relations. In the first half of 2003, numbers of those critical of Russia rose steadily – from 26% in February 2003 to 52% in March 2003.

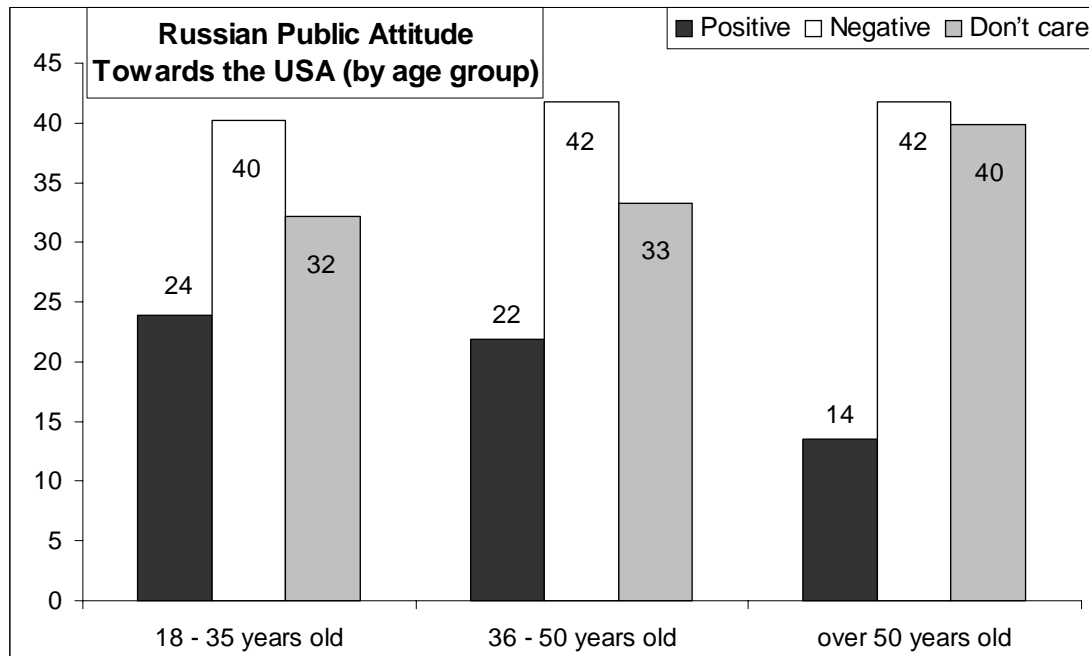
Here is a look at how Russians perceive the United States.



**Source:** Foundation for Public Opinion, opinion poll of March 27, 2003

In the last two years, increasing numbers of Russians see the United States less favorably. Positive perceptions of the U.S. dropped from approximately 30% in 2001 to about 20% in 2003. Negative perceptions rose sharply from 10-15% in 2001 to 35% in 2003. However, as you can see, most Russians do not care much about the United States – that number is nearly constant and hovers at around 40%. I label them as ‘swing voters’, and that majority is what is the most perceptible to opinion manipulations. These 40-45% are who U.S. businesses should worry about and take into consideration assessing political risks of their Russian operations.

A quick look at the age distribution of respondents provides an unexpected finding. Many think that Russian youth is the most “pro-American” segment of the Russian society. However, chart below shows that even though 18-35 year olds are slightly more pro-American than other age groups, that deviation is insignificant.

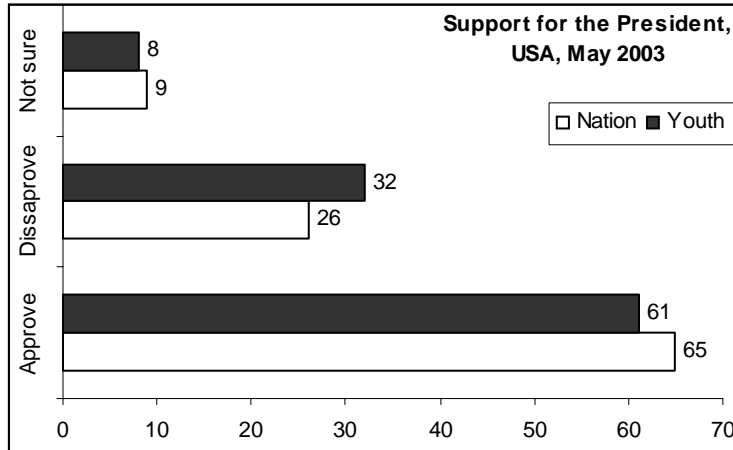


**Source:** Foundation for Public Opinion

An important conclusion is that American public in general had been much more “pro-Russian” than the Russian public been “pro-American”. Moreover, Russian youth is not as pro-U.S. as many tend to believe. In my opinion that is the direct results of two factors. On the one hand, it is a direct result of opposite positions that the Russians and American presidents took on war with Iraq. On the other, since populations (young and adult alike) of both countries support their leaders, the position of a leader almost automatically becomes a position of the population loyal to the leader. This phenomenon is illustrated below with statistical data.

## **Issue 2. Support for the President**

It is interesting to compare how the approval ratings of a nation’s presidents in Russia and the United States vary by the age group. Both in the United States and Russia, youth seems to have lost its ‘revolutionary’ spirit and displays the same support for the president as a general public. Moreover, in Russia, youth is even more supportive of Putin than the rest – youth segment has a higher approval rating and a lower disapproval rating than the general public.



*Source:* Harvard University

When it comes to the **legalization of marijuana**, only 35% of U.S. students favor it, while 61% oppose. On **abortions**, only 26% said that it should be legal under any circumstances, while 73% say that it either should be banned (20%) or legal only under certain circumstances. On the issue of **religion**, 74% of students said that religion is important in their life, with 43% of these saying that it is ‘very important’.

According to the Public Opinion Foundation, Russian young respondents have a strikingly similar and unexpectedly conservative ideology. In the 18-35 age bracket, only 21% had ever tried an **illegal drug**, while 78 never did. And 66% said that they do not have any friends or relatives that take drugs.

When asked about their **religious affiliation**, 61% of Russian 18-35 year-olds said that they are a member of some religious group, and 35% consider themselves atheists. However, these results should be taken cautiously. Only 4% of those who are ‘religious’ attend church once a month or more. Striking 45% say that they ‘had hardly ever been to church’!

### **Conclusions and Recommendations.**

1. In general, the American public has been supportive of Russia. However, in the last year we saw a dramatic increase in numbers of Americans who perceive Russia negatively. Thus, it is very important to educate American public about Russia and successes it has enjoyed. The Russia-American Chamber of Commerce® continues to be instrumental in that task.
2. It is important for U.S. business not to expect an overly warm welcome in Russia. Days of hype about anything American are long over. However, the experience of Chamber members show that in a sense that ‘disillusionment’ is good – Russians do not place unrealistic expectations on their American partners as they used to.
3. Good news for U.S. businesses in Russia – the days of Communism are over! The Communist party is supported only by people over 50 years of age. Thus, it is ‘doomed’ to loose its importance in the very near future.
4. More good news – things look very stable in Russia. President Putin enjoys very high levels of public support. More importantly, Russian youth is backing him even stronger than the general public.

5. There is little doubt that both Bush and Putin will remain in office for the next term. Thus, U.S.-Russian relations will continue to be cooperative, pragmatic and predictable. Now is a great time to expand your existing business in Russia, or think about starting your work there.
6. A warning sign – an overwhelming majority of Russians (78%) think that an economic crisis, similar to that of August 1998, is likely to occur again in the near future. However, the Russian-American Chamber of Commerce firmly believes that it is not the case. If the Russian government can manage to steer the economy avoiding a major crisis (as we predict it will), it will earn the most precious commodity – trust of its own people.

***Sources:***

Institute of Politics, Harvard University, Survey “Campus Kids: The New Swing Voter”, May 2003;  
Public Opinion Foundation;  
The Gallup Organization.