

Meeting Summary
Russian Perspective on the U.S. and its Role in Russian Economic Development
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Presenter: **Sergei Guriev**, Associate Professor and Rector, New Economic School

Chair: **Andrew Kuchins**, Senior Fellow and Director, Russia and Eurasia Program, CSIS

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This was the second of six meetings in the series, "Economic Change in Russia and its Implications for U.S. Policy," a CSIS project sponsored by the Carnegie Corporation of New York.

The attitudes of the Russian public towards the West and Western institutions, especially democracy and markets, play a key role in determining the future of Russian economic reform and U.S.-Russian relations. Guriev's research focused on documenting Russians' attitudes towards the West, capitalism and democracy; understanding the variables that influence these attitudes; and drawing conclusions about the implications for both U.S. and Russian policy.

In the early 1990s Russian economic reformers hoped that the success of economic reforms would reinforce Western values and positive attitudes towards the West. The reformers believed that pro-Western attitudes at the interim stage of the transition were a necessary condition for further reform. However, rather than an increase in support for Western values, the 1990s saw a massive drop in support for democratic government and the market. Guriev agrees with the reformers' proposition, and argues that backtracking on

democratic and market transformation in this decade is linked to change in popular attitudes.

The first data set he presented dealt with the Russians' attitudes towards the U.S. Although Russians are very negatively disposed to the U.S. and do not see it as a friendly country, they are not unique in these beliefs. Their attitudes towards the U.S. are similar in both trajectory and absolute numbers to those seen in Germany. In addition, these attitudes are consistent across income, education, family status, gender, age, and other classifications. Young Russians (aged 20 to 35) are the one exception: they are less positively disposed than middle-age Russians towards the United States. This is a counterintuitive finding; analysts have generally assumed that the younger generation sees the US as a more friendly country than its older counterparts. Data about Russians' attitudes towards Western societies, as opposed to Western states, also shows little difference across demographic and socioeconomic lines. While most Russians consider the Western model more just and fair *per se*, the vast majority still do not consider it appropriate for Russia.

Guriev's second data set dealt with attitudes towards Western values. Among transition countries, Russia has uniquely low support for democracy and the market. Yet when these abstract concepts are broken down into their component issues, Russians' attitudes are much closer to their counterparts' in other transition states. This

phenomenon is explained by Russians' association of the notion of democracy and the market with the chaos of the 1990s. For example, although they seem to reject "democracy," the vast majority of Russians accept certain democratic concepts, such a two-term limit for the head of state. Attitudes towards privatization depend significantly on the experiences of the individual being polled. On these questions, Russia is not an outlier. There is broad support in transition countries for leaving privatized assets in the hands of current owners, and relative resistance towards nationalization.

Guriev's third data set dealt with happiness and life satisfaction. Studies find that people are much less happy in transition countries; however, he argues that happiness levels in transition countries are in fact "normal" if the data is examined more systematically. In other words, the results are explained by exogenous factors. One third of the discrepancy is explained by the fact that the rich generally do not open the door to interviewers, so sample pools consist mostly of poorer respondents, who tend to be older than average. The remaining two thirds can be explained by a temporary transition effect, i.e. the economic hardship caused by the move from a command system to a market economy. This factor is particularly important in explaining the differentiation across age cohorts, since the transition proved especially difficult for the older generation. His data shows that happiness and life satisfaction improves directly with an increase in

GDP per capita, which shows that Russians care most about material wealth, and that income growth is directly associated with President Putin's reforms, as opposed to the 1990s. In other words, Russians are quite pragmatic and non-ideological in their conception of life satisfaction and value material benefits.

Conclusions. Guriev's data shows that the Russian population is uniformly anti-Western. Western experts who forecast a significant improvement in these attitudes with generational change are naïve; the younger generation is actually more negatively disposed to the U.S. than the middle-aged. The positive results are that Russians are pragmatic and rational in their values and attitudes towards democratic and market norms. He argued that in such an environment, the most productive avenues for **U.S.-Russian cooperation** are specific, pragmatic projects that can provide concrete evidence to a skeptical Russian public about U.S. intentions. He suggested investment projects, academic and professional exchanges, and support for educational institutions as possible ways forward.

The **discussion** centered around two themes: greater detail on Russians' attitudes as seen through Guriev's analysis, and the impact of public opinion on policy, especially economic policy. Guriev addressed the following issues relating to the former question:

- Media freedoms: Russians are by and large content with the media as it is. They understand that there is censorship and that the government's line dominates news programming, but they are largely indifferent.

- Political leadership: The approval ratings of both the President and the Prime Minister remain high, but Russians differentiate between those two individuals and the Government, which is regarded very negatively. They especially revile Minister of Finance Aleksei Kudrin.
- Corruption: Russians believe that there are high-level officials who are corrupt and are not happy with the overall situation vis-à-vis corruption. However, attitudes depend entirely on how the major national television stations report specific incidents. For example, the public is not aware of the scandal surrounding former Minister of Information Technology and Telecommunications Leonid Reiman's alleged stake in one of the country's top three cellular providers because it never was aired on television.

Gurieva argued that the public attitudes have a significant impact on policy outcomes. Although the government can sometimes afford to neglect public opinion, the leadership is only willing to ignore it to a certain extent. A prime example is the monetization of social benefits. After the mass protests by pensioners that followed implementation of this policy, the government did backtrack and restore some of the provisions that had been taken away. According to Gurieva, "They try not to offend the people too much."

Gurieva also addressed the impact of public opinion on Russia's 2020 Strategy. He argued that the Strategy was at least indirectly motivated by Russians' attitudes towards life satisfaction and models for Russian society. In his February 2008 speech to the State Council in which he outlined the 2020 Strategy, then-President Putin said that unless the social structure is made fairer, Russia would cease to exist. He demonstrated an understanding of the key link between economic performance and political stability—a reflection of an understanding of

Russians' pragmatic attitude towards happiness. In other words, the Strategy is motivated at least indirectly by public attitudes: Russians want economic growth and the government understands that systemic reform is needed to achieve this. However, Guriev emphasized that for now the Strategy is a declaration, not a concrete set of policies, so it is too early to draw definitive conclusions about the link between public opinion and policy in this case.