

City Offers Grants for Self-Starters

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Women selling fresh milk out of the back of a truck earlier this month. City Hall is offering seed capital to 200 unemployed Muscovites to start businesses of their own. **D. Grishkin**

City Hall said Wednesday that it hoped to help 200 unemployed Muscovites start businesses by the end of the year, offering 58,000 rubles (\$1,900) in seed capital to create jobs.

Moscow has provided 80 grants this year, compared with just eight in 2009, the first year of the program, Oleg Neterebsky, head of the city's labor department, told reporters. The city plans to offer 250 of the grants in 2011.

"The situation on Moscow's labor market is stabilizing," Neterebsky said, while conceding that the program covered a modest portion of the city's unemployed.

According to City Hall's labor and unemployment department, there were 52,100 people registered as unemployed at the end of the second quarter, or 0.83 percent of the city's labor force.

The Health and Social Development Ministry said Monday that registered unemployment nationally had fallen to 0.9 percent, or just under 1.75 million people, Interfax reported.

"This money may be enough if you have a trailer or want to buy a computer and freelance, but it's not a lot of money," said Vladislav Korochkin, vice president of Opora Rossii, a lobby group for small and midsized businesses.

"I am surprised [City Hall] announced these numbers. They are, at minimum, modest," he said.

Participants must be registered as unemployed with the city's labor service. According to the Labor Code, pensioners who would like to work but are unable to find employment are not eligible to register.

While the number of people City Hall has helped may be small, "it is good that at least someone will get a chance," said Irina Kondratova, executive director at Kelly Services, an employment consulting firm.

"Most likely, this is an opportunity for very young entrepreneurs, who may have a brilliant idea but not even the bare minimum to make it come true," she said.

Meanwhile, the city also announced that it was cutting quotas for foreign workers next year. Moscow will give permits for 200,000 workers, down from 250,000 this year and 392,000 in 2009, Neterebsky said.

The city only gave out 327,000 permits in 2009, he said, and it looks unlikely to fulfill the 2010 quota, having given out just 150,000 permits to date.

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