

We Need Our Own Franklin D. Roosevelt

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There has been a lot of talk lately about forming a partnership between business and government. The idea is that the business community should become a full-fledged partner with the authorities in implementing President Dmitry Medvedev's plans for modernization.

But what form should such a partnership take? Today, the only partnership between business and government that exists is in the form of corruption. Businesses cannot obtain state contracts, permits or anything else involving interaction with the state without giving bribes or kickbacks.

Consider the case of Oleg Novikov, which is highly representative of what trials and tribulations a small businessperson has to go through to open a simple business. Novikov, a resident of a village in the Vladimir region, wanted to open a carwash and tire-repair business in January 2008.

He first sent a request to the district administration asking for a plot of land. It was granted three months later when the district's lawmakers gathered and decided on the issue. It took

another three months for the state architectural bureau to draw up the site plan, after which it requested that Novikov submit papers justifying the size of the plot of land he wanted.

All of the papers were then sent to the federal Hygiene and Epidemiology Center for review. Novikov received his permit in October 2008. A contract for selecting a plot of land was issued and a commission comprising 12 officials gave its approval for the requested site.

In January 2009, Novikov received a land-use map for a plot measuring 200 square meters — 1,000 square meters less than had been earlier approved. The district's lawmakers were forced to meet again. Sometime later, officials lost all the documents and the whole thing had to be repeated yet again.

Novikov spent all of 2010 doing pointless bureaucratic drudgery. No final results have been forthcoming. And although in response to Novikov's complaints the regional prosecutor's office did find that the head of the district administration had violated certain rules, the carwash has yet to open.

Thus, Novikov spent three years in vain going through bureaucratic hoops to open his own business. Novikov's case — and the hundreds of thousands like it — is one of the main reasons the World Bank's Doing Business rating ranks Russia 120th of 183 countries — just behind Bangladesh — for the ease of doing business.

If there is a shortage of businesspeople, it has nothing to do with being lazy or lacking entrepreneurial skills. It is because most people have no desire to waste three years in vain trying to open a simple business.

I am tired of the public relations and empty words from politicians about modernization and improving the business climate. I don't need an internationally acclaimed technopark in Skolkovo or cutting-edge nanotechnologies.

What I want is much more down to earth. Russia needs to have its own thriving private sector that can compete successfully with foreign businesses, and this requires reforms. To institute reforms, Russia needs a leader like former U.S. President Franklin D. Roosevelt. It was Roosevelt who instituted the New Deal program and the 100 Days of reform legislation, both of which laid the foundation for the modern U.S. economy. Perhaps most important of all, Roosevelt created a true partnership between business and government based on honest competition.

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