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Education Deficiencies Limit Startups

By Rachel Nielsen

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Microsoft is advocating better education and support for entrepreneurs. **Maxim Stulov**

Shortcomings in technical education, early-stage funding and government support make launching a startup even more daunting here than in other countries, a panel of top advisers, federal officials and executives said Thursday.

Lowering those barriers, as well as educating people about the options available to them as entrepreneurs, is critical to growing the nation's startup sector, they said during a panel discussion.

Improving the quality of university-level education in engineering, computer programming and other technical areas is one critical component.

The Communications and Press Ministry's top official for venture funding in the field of information technology made a blunt observation on what university students know about the IT field.

"You often get the sense that they have no understanding of what you're talking about," said Mark Shmulevich, deputy communications and press minister.

Alexander Turkot, who advises Skolkovo Foundation president Viktor Vekselberg on commercialization of technology, also said there is a lot of work to be done in education.

"I have seen with my own eyes people in the fourth or fifth year of university who are studying Pascal, which I was studying 30 years ago," Turkot said, referring to the computer programming language published in 1970.

There is a lack of awareness about startups themselves, Shmulevich said.

"Many people who could be entrepreneurs don't understand that it's a possibility for them," he said.

Funding for startups has been increasing dramatically over the past few years, making the sector more promising.

Internet startups and young Internet companies — which make up a huge percentage of the startup sector — received $540 million in funding last year, more than double the $225 million that they roped in the previous year, according to Russian venture firm Fast Lane Ventures.

The government should be a major driver in the innovation sector, while removing barriers such as excessive tax regimes and complicated company registration procedures, the panelists and entrepreneurs in the audience said.

The Communications and Press Ministry can't be the only leader, however, Shmulevich said.

"We drive information technology in the areas where [the ministry] is focused," he said.

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