

## Why Russians Should Complain More

By Finn Andreen

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Market competition benefits society by inciting companies to improve their products and lower their prices. In practice, of course, this process is never perfect, and Russia is a particularly good example of that. As should be clear to any objective observer, Russian products and services often suffer from bad quality.

One example: the mobile Internet service in Moscow, which is patchy, congested and overloaded. I pay 1,500 rubles (\$47) per month for Yota 4G that should provide at least a few megabits per second. But the service now hardly works at all in the evenings, and the connection is broken many times a day. Another example is the elevator in our building, which comes from the Shcherbinsky Elevator Factory, a relic from Soviet times. Since it was installed last summer, it has broken down at least half a dozen times.

It is hard to imagine that companies can provide such services for long to their customers and survive. Yet in Russia, such companies not only survive; they often "thrive" for lack of alternatives.

The Russian market is surprisingly uncompetitive, absurdly inefficient and strongly protected, even after the country has become a member of the World Trade Organization. But the low quality of many of its products and services is because Russian consumers often tolerate poor quality. Market competition works by a bottom-up process. It is the consumers who decide the fate of companies through their choices and their complaints.

At the same time, however, middle-class Russians often tend to avoid Russian products and services when they can, as their choices of cars and holidays show.

But such product discrimination is not a sufficient message from the consumers to the market. Public complaint is also required. While product discrimination is passive and mostly self-serving, public complaint is active and disinterested. When we complain publicly about a product or a service, we do not hope to resolve our own quality issue but to inform the community about it so that our fellow citizens can avoid it. This is a habit that is not yet common in Russia, which is reflected in the quality of the country's good and services.

There are some means for public complaint in Russia, such as the Federal Consumer Protection Service, Internet sites such as Banki.ru for financial services complaints, Afisha.ru for rating restaurants, and social networks such as Vkontakte for creating customer groups. But these avenues are significantly underused: During the entire year of 2012, for instance, the Federal Consumer Protection Service received only 1,172 complaints for the entire city of Moscow, according to their website.

It seems reasonable to think, therefore, that if Russian customers showed more intolerance to bad service by complaining more frequently using the means available, including word of mouth, companies might take them more seriously. The quality might then improve, as companies would worry about the impact to their sales of such negative publicity.

This situation is a useful reminder that the success of a market economy depends a lot on the active involvement of its citizens, ideally both in the economic and in the political sphere. Though the state of many Western societies shows that political responsibility may unfortunately be too much to ask of most people, at least a certain level of economic responsibility might be possible. This means learning the civil virtue of complaining publicly to let market competition improve our lives.

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