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Businesses Face More Inspections Despite Putin's Vow

By The Moscow Times

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A chef for Russia’s Azbuka Vkusa luxury supmarket chain prepping a meal.

Russia's consumer protection watchdog has been empowered to conduct snap inspections of restaurants, supermarkets and food producers, in a move that flies in the face of a promise by President Vladimir Putin last month to cut down checks of small and midsized businesses by often-corrupt state agencies, RBC reported Wednesday.

Russia's watchdogs have been accused of hampering economic growth by subjecting companies to too-frequent checks, sometimes aiming either to extort cash or help rival firms.

Despite some complaints, Rospotrebnadzor chief Anna Popova said the agency's heightened powers would not harm business: "Businesses will not face any abuse or intensification of administrative stresses" on the basis of the new rules, Popova told Interfax.

The new powers, which come into effect from Jan. 23, reverse a 2008 ruling forcing

the watchdog to give at least a 24 hour warning prior to inspections — since the introduction of which the number of inspections has dropped fourfold, Popova told newspaper Rossiiskaya Gazeta in October.

By removing obstacles for inspectors, the change appears to run counter to Putin's commitment in his December state-of-the-nation address to reduce the number of checks on companies.

Lowering state barriers to doing business has been a focal point of economic debate in Russia as the country rockets toward recession in 2015 on the back of falling oil prices and Western sanctions over its role in the Ukraine crisis.

Russia's business record in recent years had been improving, even rising 19 spots in last years World Bank "Doing Business" ratings to finish 92nd out of 189 countries. The ratings evaluate the degree to which government laws and norms ease or restrict doing business in a given country.

Rospotrebnadzor last year spearheaded a campaign of inspections on McDonald's that forced the U.S. fast-food chain to temporarily close over 10 restaurants. The crackdown was widely interpreted as a reaction to U.S. sanctions on Moscow over its Ukraine policy.

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