The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russia Is No Country for Business – Poll

Two-thirds of entrepreneurs called the environment unfavorable.

July 12, 2019



Falling purchasing power and high taxes are the main problems. **Sergei Vedyashkin / Moskva News Agency**

More than two-thirds of Russian entrepreneurs say the business environment in the country is unfavorable, according to a poll cited by business daily Vedomosti.

Respondents said falling purchasing power and high taxes are the main economic barriers to doing business in the country, while the court system and corruption the main administrative problems, the survey by the state-run VTsIOM pollster showed.

Entrepreneurs are pessimistic about their prospects for the future, with just one in five believing that the business environment will improve in the next five years.

Related article: Average Moscow Entrepreneur 'Survives' Only 5.7 Years

Despite these concerns, 76% of respondents said they were not prepared to give up their businesses, and 61% would like their children to take over their businesses.

There is mutual mistrust between the private sector and the state, Vedomosti cited Russian Deputy Prime Minister Maxim Akimov as saying. "Officials do not trust private business, and private business does not trust the state."

The report said the state is seen by entrepreneurs as being responsible for most of the risks to doing business. While businesses wait for improvements in the investment climate, the state is focused on improving conditions for large corporations and a narrow circle of business figures, according to the director of the Higher School of Economics, Evgeny Yasin, as cited by Vedomosti.

Political scientist Abbas Gallyamov told the newspaper that the state wants to change the system, but that every step toward the economic development of the country weakens the president's political influence. While the state relies on its oversight of law enforcement and the judicial system, businesses want an independent judiciary.

In this environment, just 2.2% of Russians want to set up their own business, according to data from Global Entrepreneurship Monitor, cited in Vedomosti.

Original url:
https://www.themoscowtimes.com/2019/07/12/russia-is-no-country-for-business-poll-a66388