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Russia's traditions of resistance and reinvention power its innovators



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The livewires of Moscow and St Petersburg rely on age-old plays to make a living



Pavel Durov says Russia's problems today are trivial in comparison with those suffered by previous generations

Richard Florida, author of *The Rise Of The Creative Class*, reckons that three Ts are essential for innovation and economic development: technology, talent and tolerance.

The first two criteria are uncontroversial. But how important is tolerance in sparking creativity? Russia might seem the perfect place to test the theory.

Mr Florida's contention was that the global creative class, which pioneers so much innovation in a modern economy, will work where it can best be creative. Scientists, entrepreneurs, and other mobile creative types are allergic to authoritarianism and discrimination.

More controversially, Mr Florida devised the Gay Index, pointing out the strong correlation between the creativity of a city and the proportion of the population that identified themselves as gay. The argument was not necessarily that homosexuals were more creative (though they may be)

but that their presence in a city was a good indicator of social tolerance.

His overall theory has come in for some criticism. It would, however, appear to apply to Russia pretty well. In recent years President Vladimir Putin's regime has turned increasingly intolerant and chauvinistic. As documented in the book *The Red Web*, the Kremlin has drastically clamped down on the freedom of the internet, which Mr Putin once called a "special CIA project".

Some of the country's most brilliant entrepreneurs — such as Pavel Durov, the founder of VKontakte (dubbed Russia's Facebook) — have been muscled out of their businesses and quit the country — or ended up in jail. Russia's anti-gay propaganda law has been widely condemned abroad.

Small wonder then that Russia's creative industries account for a far smaller proportion of the economy than elsewhere, in spite of the country's riches in talent and technology. That is a problem as Russia looks to reduce its dependence on oil and gas.

When a state behaves in arbitrary ways, its citizens try to escape its clutches. Some do so physically, by leaving the country. You can hardly throw an iPhone in Silicon Valley without hitting a talented Russian engineer. Much the same is true in Tel Aviv.

Even those who do not emigrate avoid coming into contact with the state wherever possible and channel their energies into their own projects. One young Russian I spoke with in St Petersburg told me she was avoiding any activity that could be regarded as political and was resorting to that age-old Russian survival tactic of "internal emigration," much as her grandparents had done in Soviet times. But could internal emigration in itself be a spur for creativity? Something very interesting certainly appears to be simmering among Russia's younger generation.

There is no doubt that the country is still bursting with talented, rugged individualists. ITMO University in St Petersburg, one of many great engineering schools in Russia, has beaten hundreds of other universities to win the world student computer programming title for six of the past 10 years. It has fostered research with foreign universities and companies and is encouraging its students to launch their own businesses. "We want to make the profession of entrepreneur more popular," says one academic. "People who are 30 or 40 still look at entrepreneurs as something suspicious."

Ilya Perekopsky, co-founder of Blackmoon Financial Group who previously worked at VKontakte, says Russia remains a source of astonishing talent, even if doing business there remains nightmarish. Experienced data scientists in Russia cost less than one-quarter of what they do in New York. "They are very practical guys. They are very strongly motivated," he says.

Many Russian entrepreneurs are turning down the opportunity to work for foreign firms, though, to launch their own start-ups. "We prefer to work for ourselves. We can experiment more easily. There are greater opportunities here," says Tolya Chernyakov, co-founder of the Riders extreme sports app, in St Petersburg. For them, it is the lack of defensible property rights that remains their biggest concern.

Last year, I caught up with Mr Durov, who now runs the Telegram messaging app from outside Russia. I expected him to be negative about the country he had quit, but he considered his

problems trivial in comparison with those suffered by previous generations. And he remained hopeful that Russia might revert to being the “libertarian’s paradise” that it was — all too briefly — in the 2000s when he set up VKontakte. “Russia is a synonym for unpredictability,” he said.

Russia may again surprise us all.

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