



Stanford eCorner

When Business is Illegal

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Video URL: <http://ecorner.stanford.edu/videos/3080/When-Business-is-Illegal>

Tim Draper, managing director of DFJ, recalls the experience of traveling in Russia, and learning about the generational challenges to that country's willingness to embrace entrepreneurship.



Transcript

We started this great fund and I went to visit Russia and I went to the Hermitage museum, I went to St. Petersburg. Moscow is one thing, it's sort of like a big facade and everything else is poor as dirt but St. Petersburg is a spectacular city. It is so gorgeous and you can imagine that in 1800 that it was so cool and so amazing. I went into the Hermitage museum and they have got the greatest collection of Van Gogh's and Renoir's in the world. This makes the Louvre look like Podunk. But the floors dirty, the wall are graffiti, the whole place is a total mess. I asked what happened here? They said "well 75 years ago the Bolshevik's came in and they were mad at the wealthy Russians. This is happening in our country now.

They came in and they made business illegal and let this be a lesson to all of us. They made business illegal for 75 years. Imagine this, you're an entrepreneur, your father believes business is bad, your grandfather believes business is bad and his father also believes business is bad and illegal. You have no role model. That is a horrible place to be and if you have that entrepreneurial vibe, you don't even know how a free market works. It is a scary place to be. Anyway I am hoping that if we keep at it long enough, a generation will go by where at least the father and mother will have understood the free market before these kids start businesses.