**Venture Capital in Russia and ASEAN: Comparative Analysis and Cooperation Prospects**

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Venture capital investment plays a crucial role in fostering innovative economies by ensuring capital flows into promising technological projects. This, in turn, enables a country to gain a global competitive edge and acquire technological sovereignty [1]. Yet, in recent years, the Russian venture capital market has faced substantial challenges, leading to an 80% decline in investments in 2023, with total funding shrinking from $420 million in 2021 to merely $84 million in 2023 [2]. This downturn has been primarily driven by geopolitical uncertainties, economic instability, and a lack of investor confidence in early-stage funding. These conditions have severely hindered the ability of Russian startups to secure necessary capital, limiting the country's innovation potential and the expansion of its technology-driven sectors.

Conversely, most ASEAN countries have demonstrated remarkable stability and growth in the venture capital sector, positioning themselves as emerging hubs for startup development and entrepreneurial activity. According to the ASEAN Investment Report 2023, total venture capital funding in the region reached $15.2 billion, marking a 17% increase from 2022 [3]. Early-stage funding in ASEAN has also experienced a significant rise, with a 25% increase in investments, particularly in the fintech and e-commerce sectors, reflecting strong investor interest in digital transformation and technological advancements in the region [4].

This disparity between Russia and ASEAN underscores the necessity for Russia to explore alternative investment strategies that have proven effective in ASEAN markets and adapt policies to revitalize its venture capital landscape. The success of ASEAN economies can largely be attributed to the implementation of modern government support mechanisms, including the creation of a favorable regulatory environment, robust public sector assistance, and targeted incentives such as tax benefits, co-investment programs, and government-backed venture funds [5]. These measures have facilitated greater capital inflows, making ASEAN countries attractive destinations for both domestic and international investors.

Comparative analysis reveals best practices from ASEAN that can be adjusted to the Russian context. The findings of this research confirm that adopting successful ASEAN policies could significantly enhance venture capital development in Russia. Implementing targeted incentives, fostering public-private partnerships, and enhancing investor protections could mitigate existing risks and increase Russia’s attractiveness to foreign capital. Establishing a more predictable investment climate, strengthening legal protections for investors, reducing regulatory barriers, and fostering a culture of innovation-driven entrepreneurship would be instrumental in reversing the negative investment trends observed in Russia [6].

Furthermore, applying a comparative analysis approach not only enables the identification of key differences between the countries' approaches to venture capital development but also highlights the most promising areas of cooperation that could enhance Russia’s investment appeal for foreign venture investors and strengthen Russia-ASEAN relations in venture financing. Thus, the findings of this research suggest that, in the long run bilateral cooperation between Russia and ASEAN in venture investments – through knowledge exchange, policy alignment, and joint investment initiatives – could become a pivotal factor in advancing innovation-driven economic growth in both regions.

Key recommendations derived from this study include the establishment of a joint Russia-ASEAN venture investment council to facilitate knowledge exchange, particularly in investment strategies, the creation of co-investment programs targeting cross-border startups, and the development of specialized regulatory sandboxes to test and adapt investment-friendly policies. Thus, this research concludes that while adopting successful ASEAN policies could significantly enhance venture capital development in Russia, long-term and substantial results could only be achieved through mutual efforts to address the issue collaboratively.
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