

*When communism collapsed in Russia, the former Soviet bureaucrat had seen enough of Western economies to understand the opportunities. Seizing them, he became a true capitalist tycoon and one of Russia's new oligarchs.*

*In the following interview, Potanin talks about doing business in the developing Russian economy.*

## **How Potanin Became an Entrepreneur**

INTERVIEWER: When was it that you decided to become a businessman, and how did that inspiration come about?

VLADIMIR POTANIN: Frankly speaking, I decided to become a businessman at the moment when I understood that it is possible, because I grew up in a country where it was not possible. There existed even a special article in the penal code of the Soviet Union which punished entrepreneurial activity. At the end of Gorbachev's time, it became clear that it was possible to make your own business, to create joint ventures with foreigners, and to open your own companies. I decided to try myself, in this field.

In that time, I worked in the Ministry of Foreign Trade. In order to make something new and launch a new business, you should have a certain entrepreneurial drive, but also you should be prepared for this, and I had a certain advantage. Some say I had, for example, good links with the minister. Maybe that was the case, but the most important thing was that my father worked also at the same ministry, and I traveled a lot with him abroad. I saw a lot of foreigners, I spoke to them, and I saw foreign television. I knew from the very beginning, from childhood, that there were two points of view, and I had the ability to compare [them]. Despite the fact that I believed that everything which was done in our country at that time was right and I honestly tried to work within these conditions, I had the ability to compare, and when capitalism came to this country, when the openness came, I was maybe a little bit more prepared than my colleagues.

INTERVIEWER: At the time, did you think that the Soviet Union would be able to evolve socialism, or did you feel that it was finished and it was just a matter of time until full capitalism arrived?

# COMMANDING HEIGHTS

**Vladimir Potanin**

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VLADIMIR POTANIN: Now it's easy to say. At that time, nobody knew exactly. I mean, it was difficult to understand what was going wrong, but I felt that something was wrong; something was inefficient. And I tried to understand the reasons for that. At that time, it was the level of intuition. I always tried to start to organize things, and I always thought that it was easier for me to organize something than to execute some possibly interesting but very particular job. I always said to my bosses, "Look, pay me the same salary, but give me the possibility to make decisions, to do something, because I'm more efficient than this." No problem. People who are not likely to take the responsibility, if they are experienced and they are good, just pay them, let's say, the same big salary, but let's do it in a more efficient way.

Now I understand the reason for the inefficiency of our society under the Soviet Union, and I think that there were two major reasons. First of all, the lack of respect for human qualities, for leadership, for the possibility of the person to do something, and no stimulation, no recompensation for a good job, no, let's say, real guarantee that if you are smart and energetic, you are going to be successful. The second thing was the absence of private property, which removes the stimulus for people. It doesn't stimulate investments; it doesn't stimulate long-term plans for the family, for the future, because you can leave nothing to your children or grandchildren. That's why you live like everything is temporary, and when people educated under such circumstances come to power, they also feel that everything is very temporary. That is why it is very difficult to create something really stable with a long-term perspective and with good traditions.

INTERVIEWER: So when you decided to become a businessman, what did you do? I think I read that you started Interros with \$10,000.

VLADIMIR POTANIN: Yes, that's true. I had a certain choice. Of course, I wanted from the very beginning to be free in my decisions, especially after several years of working under circumstances where you are not really allowed to get a chance to do a lot of things on your own. But on the other hand, I did not like to start with something unclear, small, without any concept of development, et cetera. I had the possibility of starting in 1988 or 1987. But I started in 1990; I was trying to prepare myself to understand what kind of concept of development I would like to have. And then I created a small foreign trade association with the equivalent of \$10,000. After I met my partner, Mr. Protherow, we decided to start a

banking project, and at the same time we started to think already about a business on a bigger scale. At the very beginning we thought more about gaining money, to have a normal life with our families, etc. Then we wanted a certain freedom in our actions, in our decisions. After we managed to create our first small bank, we understood that we had a good prospect to develop because highly qualified services are required in all spheres of activity - in finance, in industrial management, in everything.

INTERVIEWER: Did you find the business environment in those early years easy to work in? Did you find it easy to find qualified staff, people you could trust, and people who were able to work efficiently?

VLADIMIR POTANIN: It was extremely difficult to find people who could work efficiently, because nobody knew about the market conditions. There was no experience at all. A big tragedy of our time, for Russia, was that there was no link between the elder generations and our generation. It was very bad, because during a two- or three-year period, the whole generation of people from the age of 50 to 70, people who could work, who should work, and who should share their experience with us, they disappeared immediately from active business life. That was a big problem for us. We made our own mistakes, and it was very painful. When people say now, "Look, you did such a thing and such a thing in the wrong way," they are right. But please understand that it was extremely difficult to find the way with no piece of advice from anybody. For me, my father was, and still is, a symbol of qualified persons in the Ministry of Foreign Trade under Soviet conditions. He was my teacher under that time. I could ask him questions and receive a lot of explanations. I thought I was prepared, maybe better than anyone else, for this kind of job in an international environment. But after 1990, he could not help me because he was not experienced at all in this field. Even for younger people it was easier because they have more energy; they have all their whole life in front of them. For those who are above 50, 55, above 60, it was like the finish of their whole active life.

### **The Radical Economic Reforms of 1991 and 1992: Potanin's Reaction**

INTERVIEWER: What was your impression, at the time, of the radical reforms that Gaidar brought in, the shock therapy? Were you cheering from the sidelines, saying, "This is the way that we can go forward"? What was your thought at the time?

VLADIMIR POTANIN: Again, we should realize that the situation at that time was very difficult for those who started the reforms. First of all, in spite of the fact that Yeltsin won the first elections, Russia stopped being a communist country, etc., we must understand that the political support for changes, for reforms, was not strong enough. And after one year of reform, the government and even the president had lost almost all support from the society, almost all the confidence of the people. It was a huge problem. Of course there were certain mistakes, and maybe now we can understand that some things could have been done in another way, but the situation was that somebody should take responsibility, and I don't think that it was possible to avoid mistakes. From time to time, the situation in Russia is compared to the situation in the United States at the beginning of the century, or to other countries developing a democratic system. I partly share this point of view; it could be compared, but it's a different thing to undertake drastic changes in a whole society. Now everything is going faster, and that's why the reformers in Russia at the beginning of the '90s had to be more active, take more responsibility, and move more quickly than 50 or 80 years ago.

INTERVIEWER: On that point about 19th-century America and the great American industrial empires that were built at that time, when you started out, or even today, did you have a vision of your own role in Russian industry? Who were your models, people like J.P. Morgan and Rockefeller in the States?

VLADIMIR POTANIN: Everybody starts with creating or acquiring certain property in order to create the material to work with. When we started our business, we thought first of all about development, how to grow, and we managed to do this, even with all the difficulties and all the difficult rules that were implemented in Russia at that time. But now we understand that the only way to develop our businesses is to be integrated in the international market. It's the same thing for the whole economy of Russia. I don't see our future as a country without integration in the international economic society. I'm not speaking about cultural, political views. I'm saying that we should be part of the international market, let's say, club, and to do so we must change a lot of things. We're trying to do this more or less successfully. We must change a lot of things on the level of the country, change legislation and establish certain traditions, have more transparency, etc., but we should also do the same thing on the level of companies. Several years ago, we didn't even think about what we are trying to do now, like corporate governance for example,

certain corporate ethics, if you want. If we had started to think about the right methods of entrepreneurial activities, let's say five years ago, started to think that this is important, that acquisitions and growth are not everything. We also realize that we all must also know how to manage this and how to implement the right standards in our businesses. Back then, we bypassed such things as transparency and the development of relations with foreign partners. Now, eight years after we've started our business, we think not only about corporate governance, but corporate traditions, corporate ethical rules, etc., which is interesting for us, and we like this style.

### **Gaining Control of Norilsk Nickel**

INTERVIEWER: How did you become interested in Norilsk Nickel? What was it that initially sparked your interest in it?

VLADIMIR POTANIN: Well, we first started to work with Norilsk Nickel when Nickel became a client of our bank. Our first knowledge about Norilsk came from that time. Working with them on a purely financial basis, we understood a lot of things. First of all, that the company was mismanaged. The financial problems they had were coming not because of the absence of prospects for the plant, but because of wrong methods of management. Maybe [it was] at that time that we understood that we could offer better management. We started to think for the first time about this possibility, because normally, up until then, we were never involved with the so-called real sector of the Russian economy, which means in the industrial, producing companies. It was assumed that we could not understand how to be a director of a big plant, for example. But when we saw how it works, when we saw the internal, let's say, kitchen of management in Norilsk, we understood that it could be done much better and much more efficiently. We saw that we could find better methods, better specialists to do that, and we started to think about it. And when we understood that we were ready for this kind of expansion into industry, we made a strategic decision to invest the money of our group in the industrial [sector], and we bought Norilsk Nickel and some other important industrial assets and started to restructure them.

INTERVIEWER: When you started thinking about acquiring it, I read that you talked to other businessmen who also had some considerable influence and, presenting a united front, made

a proposal to the government. In those early days, how did that actually work? Were you talking to other businessmen like yourself?

VLADIMIR POTANIN: It worked the following way. By 1995, we already had a certain new business elite of managers and owners who, in my opinion, were efficient owners and qualified managers. But the interesting thing is that the distribution of property in the country was still in favor of the so-called Red Directors, because when the privatization started, in the first stage, all property came into the hands of the old managers, the so-called Red Directors, and it was clear that with their methods of management and their mentality, it would be very difficult to restructure the economy and to go forward with an integration into the international economy. So those who were efficient, who made their first money on financial operations, on trading operations, they were prepared to assume big management projects, but they had no property in their hands. That's why it was a certain struggle between the old nomenklatura and the new elite. And this struggle was different from struggles that have taken place in Europe or in the United States, because of lack of legislation and of other different things. The new businessmen were also, let's say, not angels. Anyway, generally speaking, without details, it was a struggle between the old Red Directors and old Communist Party, nomenklatura, and the new managers who had gained their money themselves under different and difficult rules, but by themselves. And as you can see now, the struggle was won by us, by those who were younger, who were more active and more prepared for competition.

INTERVIEWER: With Norilsk in particular, I understand Anatoly Filatov was quite an important figure in the Soviet industry, and Norilsk was a real prize. But what made you think, as a young guy, that you could actually take on someone like that and win?

VLADIMIR POTANIN: That's exactly what we thought from the very beginning. There was a certain big respect for the so-called Red Directors because they really were big figures in public opinion, and we understood that we were leading something very big and important. And, you know, the openness is a very good thing when you do not know about the plant or the event or anything you cannot judge, and it seems to you like something that you could never understand. But when you start to understand what is inside, when you start to understand, as I said, the kitchen of making decisions, you start to understand that Filatov is a big guy, but he makes wrong things, and even if he did a very great job 10 years before, it

doesn't mean that he can continue to do the right job. The conditions changed after the collapse of the Soviet Union, and he and his team were not prepared for the new conditions.

The methods of management which they had had spoiled the whole situation for Norilsk. 1994 was the worst year for Norilsk, the complete collapse. Only after three years, after we came to the plant, we managed to change the situation for the better. But our understanding that we could do this came from the analysis of what Filatov was doing. He was very great and big only on television or in an official atmosphere. When you know what he was doing in reality, you start to analyze your own possibilities and you start to believe in yourself.

### **Convincing Chubais**

INTERVIEWER: When you took your idea that you had discussed with other businessmen, which eventually became known as loans-for-shares, to [Anatoly] Chubais, the deputy prime minister, I understand that at first he was skeptical and thought this wasn't the way he envisioned privatization. How did you bring him around to your way?

VLADIMIR POTANIN: Well, first of all, I came to Chubais with another idea. I told him to look, there is a large number of new businessmen who were ready to lead a really big project, and why do you leave the big state-owned properties in the hands of the Red Directors? Give the management to these entrepreneurs. Make some kind of auction for these [assets]. Let's make this move. The first stage of privatization led to the appearance of private property in the country, which was very good, because without private property it is not possible to develop market reforms. But this property was in the hands of inefficient owners. I proposed to Chubais to move the management of this property that was still state-owned to new businessmen. But politically it was very difficult, and afterward I understood why it was so difficult for Chubais, even if he agreed, generally speaking, with the idea that the management of this property was not as efficient as it should be. It was politically very difficult to withdraw this power from the Red Directors. It was not only the new businessmen who were not strong enough to struggle against Red Directors, but even the government and even Chubais were not strong enough to easily win this struggle. That's why the second idea, after I understood that the first one was very difficult to implement, was to sell this property. The initial idea of loans-for-shares auctions were proposed as a relatively transparent scheme with access for foreign investors. After a big struggle in the government, with the Red

Directors, the property was transferred under a scheme which was, let's say, purely Russian. We were not against, from the beginning, the open auctions, to try to compete there.

We understood that the foreigners were not active enough, and were not prepared to invest before the second election of Mr. Yeltsin in 1996. We were ready to compete. But the problem was that the Red Directors were not prepared to compete, so they tried to move the match, move the struggle to the territory of untransparent rules, where they considered they were stronger. But they were mistaken. We proved that we were more efficient even under such rules. And now, when I hear certain criticism from Western communities that the rules of this struggle were not transparent, I say, "Yes, they were not transparent, but they were rules which we were forced to play [by] because it was a struggle, not with foreign businessmen, it was a struggle with our Red Directors, and it was a struggle on their territory." And I remind everybody who is interested in this question that it was a game on their field. We played under their rules, and we won at their home. And now what we say is we are trying to invite everybody to play on our field, and now we are ready to respond to all kinds of criticism. But what we're doing now is not what we were forced to do before.

### **The Transfer to Democracy**

INTERVIEWER: At the time before the presidential election, the political situation here was very volatile. Did you find that that was in the mind of Chubais and other people close to Yeltsin that yes, in fact, we need to support loans-for-shares? Was that really one of the driving forces in your thinking and the thinking of other businessmen, that you'd had to move quickly to start the economies?

VLADIMIR POTANIN: Well, I think that this reason existed, of course, because the decision was whether Russia will go toward the international society or [if] it will come back to the Communists. There was not only a question of political motives, but also there was a question of creating a group of supporters. Unfortunately it's very difficult to artificially create a wide group of supporters. And loan-for-shares, from a political point of view, could be considered an attempt to create a group of supporters who are for reforms, who are owners, who are supposed to be efficient owners. Of course it helped, the creation of owners of big industry, [owners] who have real influence on the economic development of the country; owners who have the mentality I described that is open to market reform and to international society and

to democratic principles of life. It was, of course, very important. We can say that it was artificial. Yes, it was cheap, relatively cheap; it was not transparent, yes. But I think that it was difficult to avoid during this period that some should become big and important. And whether it was fair or unfair, we could use different methods of [measuring] this, but if these owners are efficient, if they manage now to deal with the problems of their enterprises, why not? I mean, maybe it was really the only way. Who knows now? But it was done, and, generally speaking, it was for the better.

And the support of Yeltsin, it was not just the choice between Zyuganov and communism and Yeltsin and let's say his personality. I think that we should assume that Yeltsin was really a big democrat, and he really believed that the democratic way of development of Russia is a good way. He honestly believed in this, despite all the things that happened, and he had a lot of possibilities to show that he didn't want what it is, but he didn't. Everything he did proved that he is a democrat inside himself. And this was very important for our country, because when you pass very quickly from communism to a new era where democratic rules and traditions are very vulnerable, you must have a leader who is democratic inside himself. And Yeltsin was democratic. Look now at what has gone on in Yugoslavia. Milosevic was not prepared to respect the result of elections, and they created what's a really bad situation, a conflict situation. And Yeltsin, being a real democrat, despite the fact that everybody thought that maybe he would try to stay in power, he left the position. That, maybe, was the strongest move on his part during his whole life. He created the precedent of a normal transfer of power in Russia, and maybe after 10 or 20 or 50 years, we will remember this as the first precedent of nonrevolutionary transferral of power to a successor. That's very important.

### **Norilsk Nickel: Difficulties and Accomplishments**

INTERVIEWER: When you were talking about going up against the Red Directors on their terms, as a young man against these titans of industry, and then winning on their terms, what did that feel like to win?

VLADIMIR POTANIN: First of all, it gave a great feeling of victory, because several years before, it was even difficult to think about struggling against such big figures like the Red Directors. And it was, if you want, some kind of pride that the young generation can compete. Many years later, it became a feeling of a great responsibility, because when you win, when

you acquire something, when you come somewhere, you become responsible for everything that is going on. But that came a little bit later.

INTERVIEWER: When you first went to Norilsk, after you were victorious, when was that? What was it like?

VLADIMIR POTANIN: Three years after—let's say, one year after the victory, it was a difficult time. I mean, it was just after a very difficult time because we came to Norilsk when the situation was really very difficult. There were a lot of debts, a reduction of production, no salaries for five months, etc. And we started as managers with demonstrations in the streets against us, because we hadn't paid the salaries, etc., which means we started from a very negative point. One year after, the situation changed already, and we had managed to pay all the salary debt, we restructured old debts, and we started a relatively successful crisis-management [process]. When I came for the first time, there was the feeling that people were very, let's say, they were playing cool with me. They were looking at me and trying to understand, because they had had a very bad feeling from the very beginning. They had some kind of hope, but it was very vulnerable. They tried to understand whether they could believe or not. And each time when I came to Norilsk, I felt the situation becoming warmer and warmer step by step from their part, and now it's quite a different situation.

Last February, I was ill, and I had a really high temperature. My physician told me to stay in bed for two weeks because it was really dangerous. And I said it was out of the question, that I had to go to Norilsk because people were waiting, and there was a program, and it's very important for us. And I went to Norilsk. It was minus-40 degrees, and I had a very hard program of meetings all day. And [when] I came back to Moscow, I felt practically not ill at all. I mean, several days of treatment, and that was all. That means it always gives me a lot of energy to go to Norilsk, because I feel it is very interesting. First of all, I see what we are trying to do, what we have tried to implement, and it works. It exists. It works, and it makes something. It makes something good, something important. And the second thing is the confidence of the people. When I come, I feel that people are asking me questions, and they really see that we're together. And they believe. They believe, and they are ready to share with me not only the plans for the future, not only the promises of higher salary, but what is important is that they are ready to share with me the problems.

When we had problems this summer with the idea to deprivatize Norilsk Nickel, when I came to Norilsk, I felt a real support. It's not artificial or organized, but real support from people who are really anxious about their destiny. And I felt, maybe for the first time in my life with Norilsk, that we have really the same destiny. And they understand that we have the same destiny. They do not see me like an exploiter; they see in me a partner. And together we're going to solve the Norilsk problems. That was very important for me, and of course I asked them to work and not to be involved in all, let's say, political movements. But it was very important for me to know that I have 100 percent at Norilsk. And when I came to President Putin and said to him, "Look, I want this case to be considered in a normal transparent way, under the law," he asked me whether I was sure that I was right. I thought I remembered my meetings in Norilsk; I remembered everything, and I said, "Yes, I'm right." He said, "Okay, go and work." It was important for me. It gave me the internal strength.

### **Russia Under Putin**

INTERVIEWER: So under President Putin now, are you worried that there might be a move to renationalize Norilsk? Based on your conversations with him, what do you think his vision of the economic future of Russia is?

VLADIMIR POTANIN: I think that Putin really believes that the only way for Russia is to join the international society, to join with Europe and the international society in terms of integration in the whole world system. And my strong opinion is that Putin is very anxious about the destiny of Russia, really anxious. He considers his post as not an award, but a big responsibility. And he wants Russia to be strong. But I'm 100 percent sure that he doesn't want to see Russia strong in isolation, among some restricted, narrow circle of countries or regimes or whatever. He wants a strong Russia in the international society. He wants his country to be a player in, let's say, the champion's league. He doesn't want to win in small competitions. And that is very important. Therefore, I'm not afraid that some nonliberal, undemocratic changes will take place in Russia, because that's not the target of his presidency.

And as a personality, I also think that he's not looking for quick and easy results. He really is ready to work on problems, to solve them in reality and not just make an artificial cover of the problem. That's why I think there's no danger that Russia could change its movement to the

international society. On the contrary, with Putin, who is young, of our generation, has a modern mentality, a certain openness, a tolerance, and a 12- or 14-hour working day, it gives us a certain hope that it will be quicker and less painful for the country to make further movement toward the international society. That's the general idea, in spite of that fact there is a certain pressure, from time to time, on business and on regional politics. It's inevitable.

INTERVIEWER: Do you feel that you and the other people who are called the oligarchs have the same political influence under Putin that you had under Yeltsin?

VLADIMIR POTANIN: I think that it's not possible to exert any influence on Putin. I think that even people who are very close to him have only the right to be listened to. Even those who are really close to Putin always say that his decisions are unpredictable. And unpredictable doesn't mean unprepared or impulsive. It means that it is very difficult to influence and to predict what his reaction. And by the way, I think that even Putin concentrates too much [on] certain questions. It's very difficult for him, because he has the good capacity to know a matter in detail. He doesn't like to make a decision when he doesn't know the details. That's why when he concentrates too much on each question and requires that it be solved with his participation, it makes a big problem. I think that in the future he must delegate more authority to his team. At present, he has really a lot of headaches and problems to solve. But influence, that's absolutely impossible.

And even with Yeltsin, by the way, it was very difficult to make any kind of influence directly on him, because he had a strong personality. But the difference is that, in my opinion, a lot of decisions which were made by Yeltsin were prepared artificially by restricting the generality of information and by creating, let's say, a certain environment. And this could affect a lot of particular decisions. As I told you, Yeltsin was always a big democrat. That is why the major decisions couldn't be changed, but the smaller particular decisions in the economic sphere, in the questions handled by staff people, in my opinion, they could be influenced. But with Putin, as I said, forget about this. In my opinion it's absolutely impossible.

### **Reacting to Criticisms of the New Russian Oligarchs**

INTERVIEWER: What's your reaction to the criticism directed at you and the other oligarchs? We talked about transparency and the need to be a part of the global economy. What's your

reaction when you read criticisms of large Russian businesses like Norilsk Nickel, and criticism of yourself, criticism that asserts you're not playing by the same rules that are required to be part of the global economy?

VLADIMIR POTANIN: There is criticism, and there is criticism. When we're criticized for the things in which we are really in the wrong, or not on time, or when people are anxious because of the fact that they are prepared to work with us but they do not understand our actions and they think that we are doing something wrong, my reaction to that sort of criticism is positive all the time. I will try to explain in my position if I feel that I am right, but I'm ready to accept that I'm wrong, and if I am, I will try to change what's wrong. This is good, and we need this as a company. We need this as a country. I think that it's a very wrong thing when people say do not criticize us. That's not right. We must know what people are thinking about us.

But on the other hand, there exists a criticism that is connected, in my view, with wrong and unfair opinions about Russia and about Russians, without understanding of our history, without understanding about our situation, forgetting that we are only 10 years into living in a democracy. When I see this kind of criticism, which is quite negative and unconstructive, and which is just explaining the absence of desire in people to understand us and to live together with us, of course I'm disappointed and it makes me sad. Frankly speaking, from time to time it's even difficult to respond. But I think that healthy criticism, which is inspired by the desire to see Russia among other countries in the international community, and the desire to see our companies, my companies, as part of the whole system under transparent and normal rules, I welcome this. And I'm trying to be very critical also toward myself. It's always a question whether I am successful in this or not, but I always am trying to make myself to be very attentive to this kind of criticism.

### **Russia's Future as a Capitalist Country**

INTERVIEWER: Looking back now, 10 years ago, you were an official in the Ministry of Trade. Now you are a very influential and successful businessman. Look toward the future another 10, 20, 30 years. What do you think your role in the Russian economy will be down the line? Will you be remembered like Rockefeller or J.P. Morgan? And what kind of capitalism do you think Russia will have down the road in the long term?

VLADIMIR POTANIN: For the time being, there's a very big concentration of capital in our country, which is historical. Even before the October Revolution we had this in Russia, this high level of concentration of capital. During socialism, we made a lot of monopolies, big plants, exclusive plants that led to a high level of monopolization and high-level concentrations of capital. That's why several companies, several people leading these companies, are very influential. If you take the 12 or 15 biggest companies in the country, I think that they produce more than 50 percent of the GNP, which is not good. Together with the fact that 90 percent of GNP is being produced by so-called old business—restructured, better managed, but old, old businesses—and only 10, maybe 15 percent of GNP is produced by what we call new businesses created from nothing, it means that in order to have a more competitive system, and a more transparent and more market-oriented system, we need several things. First of all we need to raise the portion of new businesses, of smaller and average businesses, in the GNP, which will take place, I'm sure, within five or 10 years, that percentage will grow. The importance of big businessmen and the big businesses should be less, and they should become more numerous. If we have 100 or 200 big companies it's one thing, but when we have 20 it's quite another; the influence is bigger. We are starting to speak here about oligarchs and influence on politics, etc. To a large extent this is true, but this will change together with the extension of business in Russia. Our role now, because we are important from the point of view of Russian economy—we are producing 4.5 percent of GNP for example, Interros Group, which is too much. I mean, our role is to produce this 4.5 percent efficiently and to think about the social problems that we're trying to solve, to have a certain social responsibility. As I said, when we come somewhere, we're responsible for everything, not only the profitability of the business. We are too big and too important to think only about pure management; we should also think about the environment. And now, when we are not numerous, those of us who have a really big influence should use that influence to create a new climate, more transparent and more fair. We should accept the idea that we need to become more numerous. We should invite people into the club, not to make restrictions on them, but to invite them.

This is more or less going on now. Now all businessmen are trying to create an organization where they all are represented, an organization that doesn't serve the interests of special groups, but is really for everybody, a representative organization of businessmen. And people have started to understand that the environment is no less important than their own

businesses, and they are starting to pay lot of attention to this. This will make the situation in the economic life of the country healthier. I think that our role is not to stop this process. On the contrary, while we have the instruments of influence, our role is to use them to create a new atmosphere, in spite of the fact that our personal influence will be lower. But it's a normal process, and we should work for this. I think a lot of my colleagues really share this point of view. Of course, there is a lack of confidence between us and them. It's very difficult to leave some positions when you have them. But it's important to understand that it's really dangerous not to change the situation. It's really dangerous when there's no environment. It makes the situation very vulnerable when business is very nontransparent and public opinion is very hostile towards businessmen. And that's also a thing we think we should change. That's more or less what I think about our role.