

## **In His Own Words: Vladimir Potanin, Russia's Richest Man**

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*"The main reason the Soviet Union collapsed was economic". Norilsk Nickel President Vladimir Potanin spoke with Bloomberg about the famous historical events of the past.*

Even among the cream of eastern Europe's wealthy, Vladimir Potanin stands out. One of Russia's "original oligarchs," the mining tycoon is the richest man in eastern Europe. His fortune of \$28.2 billion ranks him 34th in the Bloomberg Billionaires Index, between Li Ka-Shing and Elon Musk.

In an interview with Bloomberg this month, he spoke about his personal history and his views of the region's transformation.

### **On the Soviet Union**

"Many people still feel nostalgia for the Soviet Union as a strong power. We weren't loved everywhere, but we were respected. Although the communist ideal lives on in many people's minds, we must not forget that the main reason the Soviet Union collapsed was economic. The Soviet Union simply went bankrupt."

### **On life in late communism**

"I repeat, the Soviet Union commanded respect. Because of my parents' work, I often traveled abroad as a child. And even as a child, I felt completely safe, even in Yemen, because I was from the Soviet Union. But the economy was deteriorating. So I had my turn standing in line for groceries."

"In the early 1980s, during the summer, when everyone was making their own jam, they sold no more than 2 kilograms (4.4 pounds) of sugar per person. And my parents sent me to the store for sugar—I had to buy 20 kilograms at once. The shopkeeper didn't want to sell that much. But I was a young student at Moscow State Institute International Relations, and I knew a lot of big words. I showed him a pamphlet with Soviet trade rules, reminded him of the Constitution and even threatened to complain to the city party committee. It almost ended up with the police, but I got my way. We cooked as much jam as we wanted."

### **On the economic transformation**

The "reforms weren't a mistake. They were necessary to stop the further collapse of the country. They were like painful surgery or medicine. Private property was supposed to be the medicine, the only alternative to the failed state administration. But effective owners don't appear out of nowhere -- for them to appear, state assets had to be transferred into private hands."

### **On inequality**

"Yes, property was unevenly distributed because most of the country's population was on the verge of the poverty. But the target was completed: the largest enterprises went to efficient owners. Before the loans-for-shares auctions, factory workers didn't get their salaries for months. And now those companies,

including in Norilsk Nickel, offer high, stable salaries and big social programs. But the form of privatization would always raise questions.”

Source: [www.bloomberg.com](http://www.bloomberg.com)