

An A,B,V of Russian investment doublespeak

Welcome to our first dictionary of Russian investment doublespeak. Each edition of the Review gives a flavour of what is being thought and said – but, as in all countries, what is said in Russia isn't always the same as what people think.

Research analysts and brokers, not wanting to talk themselves out of a job and be unduly pessimistic, must invent convolutions to describe their thoughts delicately. The Russian government also invents phrases to avoid frightening off foreign investment ... The Western media resorts to curious contortions of language which reflect their biases while for investors there is a panoply of 'happy talk'.

The Review conducted a brief (and totally unscientific) survey of the language used, and these are the best examples of doublespeak from those who encounter – and use – the language every day: the Potemkin expressions that add spice to contemporary debates. The result, we hope, is an illuminating and entertaining collection.

administrative resources contacts and influence with the state apparatus.

bandit capitalism the oligarchic model. Contrast with 'authoritarianism', the end of the oligarchic model.

bankruptcy an instrument used to attempt to preserve one's business should the FSB and tax claims come.

being hard on Russia attacking Russia as a way of playing domestic politics; a way for Western politicians to flaunt their patriotism.

capital markets (Russia) when Russian firms have real business to do, they do it in New York and London.

cautiously optimistic a permanent state for many in the investment community. In the Russian context - "if we had non-Russian sources of income we would be running for the hills".

chaos and anarchy e.g., 'Russia is chaotic and anarchic'. The Kremlin is doing nothing. Contrast with 'Russia is becoming an authoritarian country' - the Kremlin is doing something.

conciliatory gesture the tantalising promise to lift limits on foreign ownership of Gazprom's stock. constructive criticism of Russia lecturing, hectoring advice.

corporate responsibility appropriated by the Russian government, under-

stood by the Kremlin (and the press) to mean that companies should pay their taxes. Should not be confused with transparency and accountability.

extraordinary volatility on the market insider trading ahead of press releases and leaks. See 'Yukos Affair'.

eastern-style democracy (attributed to Sergei Ivanov, Minister of Defence, as an analogue to Donald Rumsfeld's delineation of 'Old Europe'.) Equates



with 'Western-style' autocracy. **economic efficiencies of the oligarchs** massive plunder of the country's assets for the benefit of 20 people.

electoral interventionism the selective interference of Western govern-

ments, which claim to be fostering democracy.

export of revolutions to CIS countries the unwanted interference by the US in the former-Soviet space.

financial irregularities (alleged) the government or management of state-owned companies are stealing assets.

growing political and financial independence Russia is quite aware of the strategic importance of supplying gas to Europe.

government-sponsored capitalism a model lauded in China, but frowned upon if applied to Russia.

heavy handed repeated ad nauseum, diplomatic language for 'shambolic', 'destructive', 'immoral', 'illegal' when discussing the government's treatment of Yukos.

hysterically pessimistic see 'cautiously optimistic'

impartial interest in helping civil society a postmodern coup d'etat, sponsored by the CIA. See 'Ukraine'.

in strict accordance with the law the bizarre transfer of \$9b worth of Yukos assets to a hastily slapped together front company registered as operating out of a beauty salon and/or grocery store.

international shareholder base the oligarchs' capital has fled and has



been incorporated in an island with a warm climate, and is now being re-invested in their Russian assets, but in a way the Russian tax police can't touch.

joint venture an ideal set-up where the Russians lack the money and the Westerners offer a lesson in business practice: within two years it is usually the other way around.

less aggressive in their tax optimization moving to a dirty shade of grey, as in 'the current climate has forced companies to be less aggressive in their tax optimization'

M&A transaction men with guns arrived this morning, locked out the management, and say they now own the company. Not to be confused with 'Tender offer' - the men with guns at least gave us chance to clear our desks first before they locked us out.

market correction the collapse in price of any stock (or ADR equivalent) of a company that may have become politically questionable in the eyes of the Kremlin.

minority shareholder dispute the majority shareholders decided to cancel everyone else's shares and grabbed all the assets, which they've now sold to a Western multi-national.

no re-nationalisation will ever take place everything will remain private, only some private owners will change.

new trend in government policy they are not doing what they promised to do.

patriotism conspicuous and visible payment of taxes.

potential of the Russian market masking major disappointment of companies with interests in Russia. 'Potential' has been in the dictionary for many years; current meaning is closer to the

widespread frustration that much potential has yet to crystallise.

raises questions about progress of reform Putin has ceased to do everything that the American's order, QED, there are question marks over whether Russia is 'reform-orientated'.

reform-minded government anachronistic; parlance from the Yeltsin Administration; 'Russia is weak and subservient, the US doesn't have to worry about Russia too much - except how to exploit Russia'

regime change American-sponsored activism in the 'near-abroad'

removal of the ring-fence is long overdue a way for foreigners to make a huge amount of money.

Russia's slide from democracy the presumptuousness of Russia's questioning of Bush's foreign policy.

Russia re-affirms its commitment to reform Russia allows the US to use military bases in the near-abroad, while Washington fails to disguise efforts to encircle Russia.

Russian management buy out the management had the guns.

Sphere of influence an American entitlement; also an example of Russian presumptuousness as a defeated power. See also 'Expansionist'.

state-private partnership the government decides which projects are a priority; companies will pay taxes but also pay for government defined national projects.

strategic partners out of vogue; positive spin on EU-Russia relations.

strong fundamentals but bad sentiment the sales person doesn't know if the market is going up or down.

struggle between freedom and authoritarianism black and white, right and wrong ...

supply chain management "I've got my secretary to open a shell company in Minsk, where I pull the strings: I sell our goods to the shell at below market - so the shareholders get nothing - and then re-sell at market, so I get all the profits."

suspiciously high price as in, a contract was signed at a suspiciously high price - someone is getting a kick back and it is not us.

supply-side economics we supply our side, you supply yours.

tapping one's shoulder with two fin-

gers a gesture rather than verbal code, used to signify a reference to the epaulettes worn by the FSB. If for example, a private owner is recounting an anecdote about the time the security services came to ask for 50% of his company, he may tap his shoulder at the appropriate moment. Alternatively, in certain business circles, tilting the head backwards and upwards while speaking signifies the Kremlin.

Texan court (1) a synonym for 'world government'

Texan court (2) Russians trying to import a foreign justice system

this contract will be governed by English law - we don't trust Russian cars why should we trust Russian courts?

vertical order/vertical of power - all government institutions should be subordinate to one another. Nobody ever saw it, but everyone respects it.

violating shareholder rights [they are] I am losing money in this damn stock.

warm personal relationship between the US and Russian presidents Putin is furious over Ukraine.

'Western-style management/Western-oriented management' (1) not



Soviet-style Neanderthals, management that are neither totally out to destroy the company, nor pillage the company. Also 'profit-oriented management' and 'market-orientated management'.

'Western-style management' (2) see 'Enron'.

Thank you to all those who helped, not least all those hiding behind the cloak of anonymity. [rtr](#)