

A close-up portrait of Elena Baturina, a woman with long, straight blonde hair, smiling slightly and looking off-camera to the left. She is wearing a dark blue and red patterned garment. The background is dark and out of focus.

LUXURY
LONDON



ELENA BATURINA:
THE RUSSIAN
BILLIONAIRE ON
MIXING BUSINESS
WITH PLEASURE

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5 APRIL 2018

CULTURE / ENTERTAINMENT

Russia's richest woman on supporting the youth of Europe

Elena Baturina simultaneously rolls her eyes and wrinkles her nose at the question. Just what does she make of the title ascribed to her by the media: 'Russia's Richest Woman'? "I don't suppose that I am, probably – I'm just the only one to declare my wealth," she laughs. "It's just not something I think about. It's not like I need another dress. The biggest privilege of the position is that I get to meet really astonishing people, and not just established figures but young people with incredible ideas."

Baturina – London-based and, to get the vulgarities out of the way, having been worth at different times over the last decade anywhere between \$1bn and \$4bn – is big on young people. Her think-tank-cum-foundation, Be Open, may have been established with the rather vague if noble intention of fostering creativity of all kinds – since 2012 it's sponsored design events, led workshops, run conferences and launched art prizes, among other activities – but here she is at City Hall with the Mayor's Fund for London's Dragon's Den-style City Pitch programme, handing out her large cheques to a bunch of junior schools who have had to work up all sorts of entrepreneurial plans.

"It's amazing how you get these very small kids trying to tackle these enormous issues – how to help the homeless through winter, how to make sick children in hospital deal with loneliness – and with actual, practical results too," says Baturina, who, while typically poker-faced, seems genuinely touched by this. "And the younger the child, the easier it is to get their ideas. They're not spoiled yet. They're not selfish yet. And it's down to us if they become that way."

Perhaps this is why she's glad that, more by luck than judgement, her two daughters have been educated in the West. Here, they can own their successes; back home, Baturina says, they would have been locked into a system of the wealthy and well-connected that would all but have guaranteed that success regardless of their efforts. Perhaps this is why she's told them that she will invest in their education but, after that, "they'll have to make their own way – because it's their life and they should be responsible for it".

Baturina, 55, may have put school well behind her by the time she turned entrepreneurial, but she had her own ideas too. Starting out alongside her parents on the factory floor of an industrial tool-makers, and studying in the evenings, she moved up to work as a research assistant but found that ideas generated by her generation were typically rebuffed by the staid oldies – "as young people in Russia we had a different outlook to the leaders," she recalls. In time, she would get into computer hardware, earning enough to shift into recycling plastics. Her company, Inteco, became a maker of plastic homewares – winning by making it better and cheaper than the competition – in time parlaying this into investments that allowed it to become Russia's largest cement manufacturer, then parlaying that into becoming one of the country's biggest construction companies, with the focus on monolithic housing projects.

"This was just at the beginning of the 'new' Russia, so on the one hand there were these huge opportunities to create businesses – the whole field was open – and on the other hand there were no clear rules for running businesses, so you could wake up one morning and find that all the rules had changed," she says. "That certainly keeps you energised. You can't fall asleep in that situation. But I have to say that I think stability is better for business..."

That's one reason why much of her work now is across Europe – these days, having sold Inteco in 2011, it's mostly in real estate and hotels (she owns several, including the Morrison in Dublin), with interests in solar energy and membrane technologies on the side. Indeed, the fact that she sold the business she'd founded and run for 25 years is something of a sore point. Her husband, Yuri Luzhkov, was by this point the democracy-championing Mayor of Moscow but had fallen foul of the regime of President at the time (and current PM) Dmitry Medvedev. Once he was sacked in 2010, amid power struggles and allegations of corruption, both he and Baturina knew it was only a matter of time – for their safety and for that of their children, who required bodyguards to accompany them wherever they went – before they'd have to leave the country. That the Russian government seized some prime land she owned in Moscow, without compensation, no doubt further soured her opinion of the way things were going.

"I can't say that selling the company was like parting from a child, but it was a painful process," she says. "I can't say I was pushed into selling, but we understood that the conflict between my husband and

Medvedev created circumstances such that it was impossible to carry on. Put it this way: the year before the sale I had no intentions to sell. I had long-term plans. But it happened. I sold everything I had in Russia. And I'm not someone to step on the same rake twice."

Russia made her. Russia broke her – metaphorically if not financially. Perhaps ironically, given that it was her husband's political ties that caused her such a business headache, Baturina has for years found herself subject to the assumption that it was Luzhkov's clout that helped Inteco grow so big. There's one way in which she concedes that her husband was able to smooth her business path: "he helped me get over those little pin pricks where people doubted me because I was a woman," she explains; and this even in a country – at least back when it was still the Soviet Union – that had done so much to advance women in typically male-dominated fields and had provided kindergartens and summer camps to make it easier for both parents to work. "There are parts of the Soviet Union that Russia shouldn't let go off," she notes.

But she largely brushes off the idea that his position got contracts signed. "If someone thinks that you can only build a successful business because your husband is mayor, then they're missing an opportunity to believe in themselves," she counters. "All that's important is that I know what happened and that so do the people who know me well."

Nor, she adds, should one buy wholesale into the stereotype of Russia as entirely corrupt and the West as entirely clean. "Sure, business in Europe is more predictable – you can see more clearly what is achievable and in what time-frame. Europe is different. European countries are different," she suggests. "But I can't say I never saw corruption in Europe. People are the same. If there's an opportunity to get some extra, then people take it. Then again, I'm used to seeing business as not just subject to the laws of economics but also the political situation."

Business is, too, what she's all about. Baturina has said that many of Russia's super-rich have, it might seem, found themselves locked into dick-swinging competitions of building ever bigger yachts, rather than building much of substance. "The big privilege of having a lot of money is that you can spend it how you want to, but I don't think that means you should throw it to the wind," she notes. Real estate, one senses, doesn't give her quite the satisfaction that construction back in Russia did.

"Business is an art form. When you pull off a successful business project, you get the same satisfaction as a writer completing a novel"

It's a deep-seated feeling that comes from having started out as a factory hand, she says – "and even now all the markets and shares and futures – all those [financial machinations] – are much less attractive to me than physical things you can actually make". It's also why she's looking for new opportunities to do just that: she's identified, for example, a niche demand for luxury property for older people that she's keen to pursue.

"The fact is that, as people get older, they're less comfortable being alone at home. But older people now are also completely different to how they were just 20 years ago – they're much more active and they want to maintain that lifestyle. So we're looking at ways of bringing those two needs together," she explains. Nor is this just about pandering to the needs of the monied. "Student accommodation is also an interesting niche," she adds. "It's incredible how bad the shortage is, especially in London".

"Besides," she adds, although she collects Russian porcelain, loves golf and has recently taken up scuba-diving, "it's business that gives me huge pleasure. Actually I think it's an art form. I think when you pull off a successful business project, you get the same satisfaction as, say, a writer completing a novel. The question is how you see business yourself. You can make a dull process out of writing a novel. But, by the same token, you can make an exciting process out of business."