



WED
world elite database

World Elite Database (WED) Methodological Report: Construction of the Economic Elite Population for Russia

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Established in 2020, the World Elite Database (WED) project is an international consortium of scholars working together to develop a new standardized data regime to study, and share data about, elites across the world. It aims to solve the problems of comparability and heterogeneity in the study of national power structures, and to foster a cooperative community of scholars interested in studying elite populations systematically.

The logic behind the selection criteria that the WED project uses is explained fully on our website. The aim of this WED Methodological Report is to document important national sources, decisions, and questions regarding the construction of study populations for each country. Each Report, as well as other information about the WED, are available at: <https://worldelitedatabase.org/>

Each national WED population uses standardized criteria for each of four selection criteria that together are intended to represent the economic elite of a country: the heads of the publicly listed companies, other large companies, the wealthiest individuals in the country, and other relevant entities participating in the making of economic regulation. Because the precise sources and logic used to define these populations is subject to researcher discretion and expertise, these Reports are intended to clarify the specific logic and sources used by each national team.

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General information

The WED Russia data contains information on 481 individuals. The following pages of this report outline the specific selection criteria used to compile Russia’s study population. Unless noted otherwise, the reference year of all data is 2020, with 31 December as the cut-off date.

1) First criterion: Publicly listed companies

The Moscow Exchange (MOEX) is the largest stock exchange in Russia, integrating financial markets and commodity trading. MOEX grew out of the 2011 merger between the Moscow Interbank Currency Exchange and the Russian Trading System. Following Russia's invasion of Ukraine, the MOEX was excluded from the World Federation of Exchanges. International sanctions are still in force and normal operations have yet to resume (trade remains severely restricted for foreign investors).

On par with the lowest wealth of those listed on Russia's Forbes-200 in 2020, we set the limit for companies to be considered for inclusion in our study population at a minimum of 0.4 billion dollars in market capitalization. Seventy-nine companies met this threshold.

We considered each company's CEO, plus the Chairperson or Directors or governing body. This criterion includes 109 names. Originally, the criterion counted 130 people. 20 of them were also running state-controlled enterprises, who are listed under the second criterion. Another three of the 130 people were named as billionaires by *Forbes Russia* and are listed under the third criterion.

2) Second criterion: Other large companies (non-listed) or state-controlled/owned enterprises

Russia's economy remains dominated by large state-owned/state-controlled enterprises. The state continues to retain control over strategic industries, such as infrastructure development, logistics, transportation, health, and insurance. Gazprom, Rosneft and Rosatom alone employ over a million of people.

Chairpersons, Presidents, and CEOs of Russia's state-owned/state-controlled conglomerates amounted to a total of 74 individuals. Five of these fall under the third criterion and are listed there, which brings the total number of people selected for the second criterion down to 69.

3) Third criterion: The Rich-List

Launched in 2004, the *Forbes Russia* compiled the only comprehensive annual rich list. Relying on public records, company filings, industry experts and proprietary research, it bases its estimates of private wealth on personal assets, investments, holdings in publicly traded companies and real estate.

Resulting from a weak ruble, *Forbes Russia*, published in April 2020, counted among the 200 listed people only 102 billionaires. This figure increased to 123 billionaires in the following year. Our third criterion covers all *Forbes-200*.

4) Fourth Criterion: Other entities participating in the making of economic regulation

Forty of the 103 people listed are political appointees who held office in an administrative capacity through the Russian state. Not all positions were, strictly defined or economy related. A prime example here is the Chechen leader, Ramzan Kadyrov. In exchange for securing stability, Kadyrov receives annual subsidies from Moscow covering more than 80 percent of the Republic's budget, which is not subject to normal accountability. The Kadyrov regime personifies a policy that weighs heavily on the Russian treasury.

Russia might seem like an orderly autocracy with a strict chain of command, executed by the *siloviki* (people with a background in the security services and law enforcement agencies). But depending on Putin's whim, appointed position-holders may not have actual authority, and decision are often done elsewhere.

It is for this reason that we have included within our analysis businesspeople in relative proximity to Putin, ranging from friends, family, inner circle, and trusted people from his time in St. Petersburg. Fifty-six people involved in business fit this category. Many of them were exempt, for example, from the measures Putin had taken to de-offshore and re-nationalize oligarch assets. The economic crisis of 2014 created an extraordinary capital flight leading to significant tensions, which needed to be dealt with. The punishment of targeted individuals was meant to deter others – apart from those allies of Putin who had a get out of jail-free card, as was shown in the Pandora Papers. These very same players have sailed through the turbulences of Russia's war economy.

Another 7 entries are from the military and intelligence services, which have gained significant influence since 2014. Many in these groupings have pushed for heightened hostility towards the West, protagonistic economic policies and counter sanctions.

Somewhat an outlier here is Vladimir Prigozhin and his Wagner Group. He retained his billions hidden in plain sight through his African diamond-mining companies, for which he gained control through his army of mercenaries. The Wagner Group was also actively securing Russia's influence in Syria and Crimea. His troll-factories' also meddled in the United States 2016 Presidential elections has cemented his position on WED.