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NOVEMBER 2011

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Economy feature: island of stability?

Alexey Venediktov on Putin and the "election"

Russia's international image

The IMF and future growth-rates (plus Passport's new Quality of Meeting Index)

as well as Andrei Bely's house and Teneriffe's volcanoes, the Trafalgar Ball and more the Bolshoi re-opens in November





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Letter from the Publisher



John Ortega Owner and Publisher

If one man's disaster is another's buying opportunity, the imminent destruction of the European, American and British economies surely offers a great opportunity for cash-rich Russia to buy much of the North Atlantic area. Of course, I do not serious envisage such an outcome, but it is surely worth remembering just how unprecedented a situation the world finds itself in now that recession has returned, and therefore trying to assess how this might impact on the Russian economy. For this reason, we have concentrated on economics in this issue. In addition to the usual selection of travel pieces, cultural intelligence, book reviews, puzzles and ostrich stories, we have a unique interview with Alexey Venediktov, the editor-in-chief of the most outspoken Russian radio station, Ekho Moskvi, who presents some trenchant comment on the prospects for six years of rule by Vladimir Putin. John Haskell is bullish about the Russian economy in the short term, while Art Franczek is more bearish on Russia's international public relations efforts which, in a post-information economy is not an insignificant factor. Finally, and closer to home, Vladimir Kozlov, presents his view of the first year of Sergei Sobyanin's administration of Moscow from the perspective of a property investor. For all the doom and gloom elsewhere, there are some bright spots in Russia—oh! and the Trafalgar Ball seems to have been fun!



GOOD NEWS!

On October, 27 children of different ages make their first steps into family homes in the 6th SOS Children's Village, Vologda.

Most of children spent a long time in orphanages, and finally they will have a family, mom, brothers and sisters.

We need your help to ensure that children will grow in a loving home, with respect and confidence.

Please visit our web site www.sos-dd.ru to find out how you can help children in need



Happy Beefday!

Chicago Prime celebrated its first birthday in style on the 23rd of September. A brilliant time was had by one and all. Happy Birthday Chicago Prime!



Cover: "Construction of the Bolshoi Gallery", lithographed by Régamey, Guillaume (1837–1875) France, drawn by Sadovnikoff, Vasilii (1800–1879) Russia

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The wide choice of SPA-presents – the real New Year's dreams



New Year's dreams come true! So say "7krasok", which has created 7 options for New Year presents for different life situations. A romantic eve for your loving one, the "Silk way" card as a sign of attention for a friend, the anti-stress spa programs for your colleague/workmate, massage "The energetic cocktail" for a husband/wife, or a precious collection of "Eastern sweets" for a boss and even "Luxury" card for these who have everything. For all "7krasok" guests there is pleasant music and traditional New Year's super sales up to 50% are prepared for December – the price for 1-hour spa-program starts from 990 roubles.

It's easy to make presents with the "7krasok" company: you can choose from more then 70 useful spa programs and even more options for a perfect present!

www.7krasok.ru or cna.pф multi-channeled phone in Moscow (495) 925-51-77

Leading us Astray

"The best way to discover Moscow is on foot," enthuses author Phoebe Taplin, in her new book, Moscow Walks. With the "new eyes of a foreigner", Phoebe takes her readers on a journey through Moscow, embracing the new and the old, bringing life to an often dreary landscape.

Her book begins with a lament typical of a new Moscow ex-pat: "When I arrived in January, 2007, I felt like I'd landed on a strange planet..." However, she continues with the fervor of a convert, "Now, it feels like home. I've learned to love Moscow—step by step—by walking along almost every path and alleyway and finding, in the process, a city of wonder and beauty."

Phoebe's walks through Moscow give the reader plenty of option: to stop for coffee, to navigate with strollers or dogs, to shop for groceries or souvenirs, and to take in as much, or as little history on your walk as they please. Her book is rich with suggestions for kids' activities, for side trips, and for further exploration. This first volume of what she hopes will be four books published in the upcoming year, is devoted to autumnal walks in and around Moscow, of varying lengths from two to ten kilometres. Volumes II, III, and IV follow the same seasonal format and are scheduled for publication throughout the year.

NIGHT FLIGHT

Every year more than 300 restaurants, bars and clubs open in Moscow. About the same

men—one from the tourism industry, one a seasoned club owner—decided to open the first real night club in the USSR. In the beginning of 1991, thanks to the hard work of their



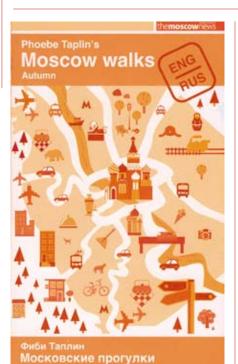
number close. A place that survives five years is respectable, but one with 20 yeas in the industry is a living legend.

Last month, NIGHT FLIGHT celebrated two decades in the business and a history of firsts: The first foreign restaurant project in Russia, the first restaurant to invite a foreign head chef, the first menu designed to European standards, the first restaurant that foreigners recommended in Moscow, and the list goes on.

NIGHT FLIGHT as an idea was born during the Soviet Union when two Swedish business

Russian partner, they were able to take over the spot on Tverskaya Ulitsa formerly occupied by the bakery Sever. By the time the club opened in October 1991, the team understood that NIGHT FLIGHT would be a hit. After the fall of the Soviet Union, it was clear that everyone was ready for a change. NIGHT FLIGHT catered to Russians' newly found freedom.

Unlike stars that burn bright and then fade, the energy and warmth of NIGHT FLIGHT's team and their dedication to their customers have kept the club on Moscow's cultural map for 20 years.



Written in both Russian and English, the first volume of Phoebe's "Moscow Walks," is on sale in Le Pain Quotidien Bakeries throughout Moscow for 350 roubles. Subsequent issues will be on sale there and throughout the city. Phoebe's walks can also be accessed online at www. phoebetaplin.com or in the archives of the Moscow News.

LINOLEUM in Free Fall



The exhibition "LINOLEUM. Best contemporary animation from around the world" will be held at the State Solyanka Gallery from October 10 to November 6, 2011.

The program included only the best films of the competition 2011. Twenty-five screens arranged in the museum space, will allow viewers to plunge into the fabulous world of modern and attractive animation.

Works for the competition were sent not only by directors from the leading creative animation countries: Russia, UK, Germany, Holland, Canada, Poland, USA, France, Czech Republic and Japan—but also hitherto new countries: Argentina, Iran, Mexico, Chile and Ecuador.

The sheer geographical variety of works submitted for the LINOLEUM contest this year is amazing. The only restriction is the stated theme. As an example, if animators dealt with the "crisis of reason" in 2009 and with "total healing" last year, in 2011 the organizers proposed that the LINOLEUM community to reflect on the theme: "free fall".

Brodovitch: from Diaghilev to Harper's Bazaar

The Garage Centre for Contemporary Culture and Harper's Bazaar open a new exhibition dedicated to the eminent arts director and artist with revolutionary influences in graphic and fashion arts, Alexey Brodovitch (1898-1971). More often than not, Brodovitch is remembered as an almost "exemplary" arts director for a fashion magazine, but we should not forget that it was Brodovitch who actually introduced modern graphic design into the USA in the 1920s from several thriving movements in visual arts and design at that time. Brodovitch was also a teacher for quite a generation of designers who spread the style in numerous American and European media. As for his magazine innovations, he was the first to let so much photography in, so that since then it has become the staple of modern life-style magazines.

Alexey Brodovitch was born in Russia to a well-to-do family but after the defeat of the White Army, in which he served, and the Socialist Revolution, he was forced to leave the country together with his family and future wife, settling in Paris. On the whole, his career was more than successful in France: in 1924 one of his graphics—a poster for an artists' ball won a prize at a competition and in 1925 he was honoured with medals for his designs, fabrics and jewelry at the epochal International Exhibition of Decorative Arts. Some time earlier he even worked as a scenery decorator in Sergey Diaghilev's Ballets Russes. Attending rehearsals, he also painted marvelous back-cloths. In the 1930s, he was invited to work in Philadelphia, and started an advertising department that would some time later become the Philadelphia College of Art. Brodovitch taught his students the basics of European design while also taking numerous illustration assignments. Carmel Snow, the then editor of Harper's Bazaar saw one of his works and immediately invited the émigré artist to join the magazine team as an arts director. For almost a quarter of a century, Brodovich managed the artistic side of Harper's Bazaar. Photography being one of his favorite subjects, Brodovich had an eye for talented

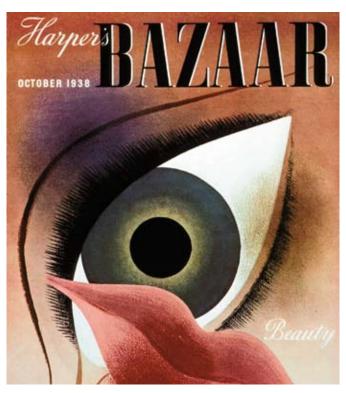


photo artists. Thus works by works by Man Ray, Salvador Dali, Bill Brandt, Brassai or Henri Cartier-Bresson were printed at *Harper's Bazaar*. In his minimalistic manner he created images that floated on the pages, he created elegance with mere hints—signs of fashionable life—the essence of today's glamour media and life.

From October 26

Open: 12:00-21:00

Garage Centre for Contemporary Culture

Secret materials: x-raying a Boeing



X-rays are generally associated with medicine, safety systems and scientific research. To British photographer Nick Veasey, X-Rays serve as a tool for creating artistic images. People tend to judge things superficially, both literally and figuratively speaking. "I want to challenge the reflectory perception of the external reality," says Veasey.

His works do always stand out. He seems to be trying to penetrate into the essence of things. X-rays show inner beauty through opening a different hidden reality. This technique forces people to take another look at the world around them. Ordinary things and complex mechanisms can now be seen from the inside out, and there is no cognitive goal. "Transparent" images of everyday objects, clothes, plants, animals are fascinating. Mostly monochrome these images discover the secret, unveil the hidden and the invisible. The technology of X-Ray images is quite complicated and even dangerous, that's why it is necessary to use a lead apron and a Geiger counter. Veasey works in his own studio in Kent, in a specially equipped concrete bunker (it guarantees protection from radiation) and a photo lab. The photographer describes matter-of-factly the process of creating his works: "I divide large objects into pieces, shoot them with X-rays and then again draw pieces together using Photoshop." The manipulation is done with one image may take several weeks or even months. For example, it took Nick three months to create his famous X-Ray photo of Boeing 777. The largest size possible for X-Ray is about 35x40 cm. Nick's Moscow exhibition features works from different series: "People and machines", "Objects", "Toys", "Animals." Males, females, babies, the world of things—this is what human life is made of, even in X-ray.

Till November 20

Open: 13:00-20:00, except Monday, Sunday

Pobeda gallery

Red October Chocolate Factory, Bolotnaya Naberezhnaya 3b. 4

William Blake at the Pushkin Museum of Fine Arts

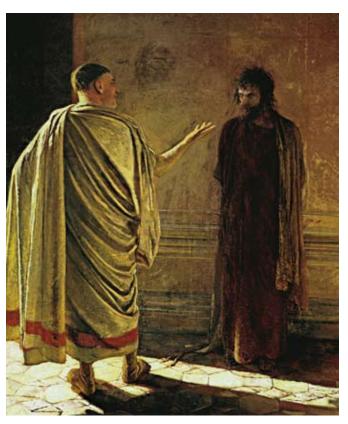


William Blake (1757-1827), the English Romantic poet and painter is a significant figure in both literature and the visual arts. For Moscow and Russia, this is the first ever show by the artist, though Blake is well known here. The show features a series of Blake's engravings and other works of graphics acquired by the Tate Gallery last year. By the way, the recent colaboration between the Pushkin Fine Arts and the Tate promises some joint projects celebrating Benjamin Britten's anniversary both in Moscow and St. Petersburg in 2013.

The exhibition, which will be held in the museum's main building, will display about one hundred pieces of graphics by William Blake and other artists whom Blake influenced enormously. Those are Dante Gabriel Rossetti, Edward Coley Burne-Jones, Samuel Palmer, Aubrey Vincent Beardsley, Johann Heinrich Füssli, from altogether seven of Britain's biggest collections. Presented in one exposition, those works unveil the artist's artistic evolution and comprehend his genius. The colLabouration of the curators from the Tate promises to make the exhibition a vivid artistic event in Moscow.

From November 29, open: 10:00-18:00
Pushkin Museum of Fine Arts
12, Volkhonka street

Quod Est Veritas?



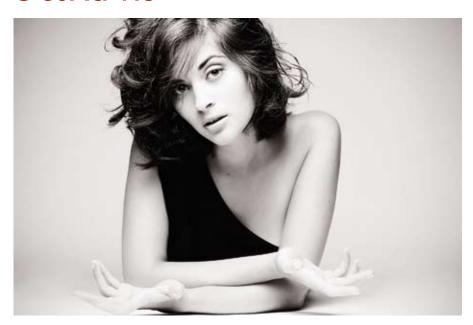
Nikolai Ghe (1831 - 1894) is a symbolic figure for Russian visual arts of the second half of the 19th century. The fall and rise of his career embodied in many ways the course of the 19th century in Russia. His grandfather emigrated to Russia in the late 18th century after the French Revolution. In 1850 Nikolai Ghe entered the Imperial Academy of Arts in Saint Petersburg. He graduated from it seven years later with a Gold Medal and a scholarship which provided him a major journey across Europe, where he actually lived and worked for almost ten years. He visited Germany, Switzerland, France and in 1860 settled in Italy. In 1863 he was appointed professor of historical painting at the Imperial Academy, with a brief of painting just one canvas, The Last Supper. His later works did not meet with the same enthusiasm. He bought a house in the country far from his home Kiev, and did not paint for many years. A meeting with Leo Tolstoy would make an artistic impact on Ghe, who became a follower of Tolstoy's philosophy. His portraits, series with the Bible themes and landscapes are treasures of the Tretyakov GalleryMoscow. His painting "Quod Est Veritas?" depicting Christ and Pilate gave the name to the exhibition.

November 1-February 5

Open: 10:00-19:00 except Monday 10, Krymskiy Val



C'est la Vie



Zhenya Lyubitch is a vocalist and composer from St. Petersburg, who gained fame mainly due to her participation in the French band, Nouvelle Vague. They

are kings of song covers, but they do it in a French, delicate way: they invite soloists to the recording of a song only on the condition that they have never heard the track before, so that there is a guarantee that it will sound unrehearsed.

Zhenya participated in the band's recent album "Couleurs Sur Paris". With the help of Nouvelle Vague, Lyubitch has become an independent performer, too, revealing her talent as a composer. Together with French singer Nicolas Comment, she recorded a single, "Nous Etions Dieu", and captured French hearts. Her composition for Stephane Pompougnac from France: "Morning Flow" is in the top 20 of the iTunes bestsellers. In France, Lyubitch recorded her latest album with songs in French, English and Russian. It is this album that the singer will present in Moscow. The programme is called "C'est la Vie".

December 8, 19:00House of Music, Svetlanovsky Hall

Chamber Music from Salzburg



Camerata Salzburg is a chamber orchestra from Austria. At home, the orchestra has a reputation of being the best performers of chamber classical music. They value their status, and the selection of their musicians is very strict. Today, musicians from more than twenty different countries play in the orchestra. "In search of perfection" is the orchestra's artistic credo. They not only maintain the musical

traditions Salzburg has been known for since Mozart's time but their playing is "so inspiring that the audience can feel the joy of playing musical instruments themselves", according to their Swiss newspaper Zürcher Zeitung. Camerata Salzburg are frequent guests at Mozart festivals all over the world and give about eighty concerts per year in Europe, Asia and America. They visited Moscow when Mo-

zart's 250th jubilee was celebrated. This year, they have selected Mozart's early compositions, when he lived in Salzburg in the 1770s, plus the famous "night serenade", a symphony and two concerts, with Russian Alexander Gindin being a piano soloist.

November 19, 19:00 Svetlanovsky hall, House of Music

Memorial apartment of Andrei Bely in Moscow

Text and photos by Marina Kashpar

Today we are going to visit one of the apartments on the 3rd floor in the house on Arbat street, number 55, the memorial apartment of Andrei Bely, the only one in the world.

Andrei Bely, born Borya Bugaev, Russia's greatest modernist writer and a leading poet of that most remarkable period of Russian intellectual history which is known as the Silver Age, was also a theorist of symbolism, a pioneer in the structural method of literary analysis, and, according to Bryusov and later Pasternak, "the most interesting man in Russia." Before he became A. Bely (in 1901), he considered himself a philosopher, a follower of the mystical philosopher Solovev, a scientist, and a composer, regarding himself as "simply a person who is searching."

In this house, at the corner of Arbat Street and Denezhny Pereulok, on the apartment on the 3rd floor, Andrei Bely was born. His first memories of the world, of the people around and about himself were connected with this house. He lived here while studying in Polivanov's private gymnasium, then in Moscow University. Here he experienced his first love (the mysterious and mystical possession by Margarita Morozova) and his first loss, the death of his father. Right here, in this house Borya Bugaev, a boy from a professor's family, developed to become the great modernist writer, leader of Moscow symbolists Andrei Bely. He lived here for 26 vears, until 1906.

Later there were a lot of addresses, cities and countries where he stayed, but Bely always considered Arbat house as his true home. In 2000, the museum of Andrei Bely was opened there.

The organisers of the exhibition try to show the direct purpose of each room and at the same time show their reflection in Bely's autobiographical prose. For example, in the "Child's room" there are things connected with Bely's childhood and his years of study. Here the visitor can see details expounded on in Bely's reference towards the autobiographical theme, "About Myself as a Writer" and in the stories, "The Christened Chinaman"





and "Kotik Letaev".

The next room is devoted to the writer's mother. A.D.Bugaeva, who cultivated Bely's interest to music, art, and literature. The exhibits in this room show the history of Moscow symbolism and the history of the early creative work of the writer. A special place here is dedicated to Bely's mysterious love stories—to M.K. Morozova and L.U. Blok.

Like Blok, Andrei Bely saw the October Revolution as the birth of a new cosmic world. But Russia, risen anew, failed to appreciate him. In 1921, after Blok's death, Bely left Russia for Berlin only to find out that "the Russian émigré is as alien to me as the Bolsheviks." The two people he wanted to be with most, Asia Turgeneva and Rudolf Steiner, didn't need him. Bitterly disenchanted, exhausted and sick, he came back to Moscow: "I returned to my grave... all journals, all publishing houses are closed to me." After Trotsky's merciless attack, stating that Bely's novels "poison your very existence," he appealed to Stalin





(1931), and compromised with his conscience by becoming a Marxist. In Soviet Russia he remained a controversial writer, too modernist for the literary officials, too incomprehensible for the reading public. In the West his works have always been praised "without being understood or read," as one translator of "Petersburg" put it. Although Nabokov included "Petersburg" among the four "greatest masterpieces of 20th century prose," Bely never achieved such enormous popularity as Joyce, Kafka, and Proust. Like them he did his best to destroy the simplicity of forms, but it was precisely his linguistic experiments that cut him off from the foreign reader.

> Museum address: Ul. Arbat, 55 (Metro Smolenskaya) Working hours: 11:00-18:00, Wednesday, Thursday, Friday, Saturday and Sunday Tel: (499)244-77-02,(499)241-85-28

Kievskaya: Seedy, Soviet, and Loaded

Text and photos by Katrina Marie

The environs enveloping Kievskaya Metro station bring to mind swarming markets, high-end shopping, and the seamy underworld known to all major train stations. But the district of Dorogomilovo (район Дорогомилово) was born centuries ago, being first mentioned in the annals in the 14th century. Once the patriarch's fishing village, it witnessed the march of the Russian Army to meet Napoleon, and then Hitler. Later it grew to become the most affluent neighborhood in Soviet Moscow.

This suggested outing guides you through this historically fascinating district, beginning with the Kievskaya Metro station.

Perpetually teeming with heavily laden travelers and shoppers, it may be necessary to wrestle one's way through the crowd for a closer glimpse of the colorful mosaic panels inside the station. Ukrainian motifs are present throughout. Built in 1954, the station is a classic example of the "museum" showpiece that marks the Metro's best stations. The gorgeous gilding and high arches add a rich extravagance to this aged beauty.

Follow signs toward Kievsky Vokzal (train station) and head up two sets of escalators, traversing a round vestibule decorated with scenes of glittering Ukrainian folk life, set in colors of deep red, white and gold.

"Sveti, rosi... sveti, rosi..." Like an Amazon mating call, the sing-song echoes from one toothless peddler to the next upon exiting the Metro station, just adjacent to Moscow's renowned flower market and opposite the popular Yevropeiski Mall.

This site was once home to Moscow's second largest cathedral (after Christ the Savior). Built between 1898-1910, the Dorogomilovo Cathedral, like the cathedral of Christ the Savior, was neo-Byzantine in style and featured a dominant single dome. After the Revolution, the church's gold and silver were seized, leading to the Dorogomilovo Riot of 1922. The cathedral was subsequently closed and destroyed in 1938.

Head toward the train station. Arguably one of Moscow's most captivating, Kievsky Vokzal bears a seductive, almost mystical air for those enigmatic destinations once behind the Iron Curtain: Kiev, Bucharest, Prague, Sofiya, amongst others. Indeed, Hollywood sought to capitalize on this element in the film "The Bourne Supremacy". A sign of the times, Kievsky also now serves the modern Aeroexpress to Vnukovo International Airport.

The station was designed by notable Russian architects E.M. Shukov and Ivan Rerberg and was built between 1914 and 1918. It is particularly notable for its impressive clock tower and modernist arched glass roof suspended above the rail tracks.

Surrounding the station is the somewhat shady Square of Europe, dominated by a circle of flags of the European Union and Commonwealth of Independent States. A modernist sculpture of twisted steel sits upon a ringed tier of fountains.

Walk toward the Crystal Bridge at right, which connects Dorogomilovo to Krasnaya Presnya and is an optimal point



for area orientation. The bridge offers superb views of Moscow's riverfront and the dominant Hotel Ukraina (now the newly renovated 5-star Radisson Royal)—one of the Stalinist "Seven Sisters" buildings, which we'll visit next.

Depart the bridge, passing through the square and toward the intersection of Yevropeisky Mall and Bolshaya Dorogomilovskaya street. Cross the street, turn left, and then right onto Ukrainsky Boulevard, which leads to Kutuzovsky Prospekt via a charming tree-lined park.

The "old Smolensk road", now Kutuzovsky Prospekt, witnessed the 1812 march of Field Marshal Kutuzov's soldiers to the Battle at Borodino (as well as their subsequent retreat). As with much of Moscow in 1812, Napoleon's soldiers entered a district of fire, passing neighborhood upon neighborhood burnt to the ground as the Russians withdrew.

During World War II, troops again marched along this route to battle Hitler's invading forces. Under Khrushchev, the area underwent a massive renovation and became one of the most exalted neighborhoods in Soviet times—home to renowned scientists, foreign diplomats, and much of the Soviet leadership (including Brezhnev and Andropov).

At Kutuzovsky Prospekt, turn right and walk toward the gargantuan Stalinist building which is now the Radisson Hotel.

Designed by distinguished Soviet architects and built in 1957, this is the second tallest of the "Seven Sisters", standing at nearly 200 meters. Occupied by the Hotel Ukraine, it was one of the tallest and largest hotels in the world. In 2007, the Hotel Ukraine closed for renovations, reopening as the Radis-



son Royal in 2010 (though is also still known by its original name). During the multi-year renovation, the building's external façade was refurbished, as were the 500-plus guest rooms and apartments.

The lavishly decorated hotel features more than 1,000 original paintings and sculptures by prominent Russian and Soviet artists, in addition to a must-see diorama of Moscow on the first floor. For a bird's eye view of the city, check out one of the several dining options on the 30th (and higher) floors. And for a real splurge, Ginza Project has opened the restaurant Romantik, large enough only for two, at the tallest (and smallest) point of the hotel. Encased in windows all around, this is truly the pinnacle.

Return to Kutuzovsky Prospekt and turn right, walking parallel to the river in the direction of a visible obelisk dedicated to fallen soldiers. At No 12 is the Badayev Brewery, in operation since 1875. While industrialization of the Dorogomilovo District was slow due to frequent flooding, the brewery was set on a slight hill which allowed some relief. During the torrential flooding of 1879, brewery workers floated to safety on beer barrels.

Walk to the obelisk on the square of Dorogomilovskoi Zastavy, which marks the mass grave of 300 soldiers killed in the War of 1812. This area was formerly one of Moscow's largest cemeteries: a burial ground for plague victims of the 1700s, soldiers who died at Borodino, and it incorporated a prominent Jewish cemetery. In the 1930s, the city forced the reburial of remains to parts elsewhere, including famous Rus-

sian landscape painter Isaac Levitan (who is now buried at Novodevichy Cemetery).

In several stages, the city embarked on a massive redesign of the area, particularly Kutuzovsky Prospekt and the embankments. In the nineteenth century, a rather poor peasant region of Moscow with squalid taverns and a plethora of undertakers and cross makers, its wooden shacks and dilapidated housing gave way ultimately to colossal Soviet block construction.

Return to Bolshaya Dorogomilovskaya ulitsa and turn right onto Mozhaiskiy Val street, where a brief stop at the Indian spice market and the Kristal vodka and liqueur shop is highly recommended—don't miss the amaretto-esque (but better) "Kris" at Kristal.

At the junction of Mozhaisky Val and Platovskaya / Bryanskaya ulitsa, turn right to enter the popular Dorogomilovskiy Market. Get ready for sensory overload. Crowded in by fellow shoppers and aggressive cart pushers, early weekend mornings are best to avoid the horde. The market offers a magnificent array of exotic and regional produce, lamb direct from the Caucasus, Armenian potatoes, Georgian sulguni cheese, Caspian caviar, and so on. While bargaining is usually a must, prices can be very reasonable. And, as you wll understand from the frequent sound of axes hacking into animal carcasses, the food is quite fresh.

From market to mall to flowers, at this point, it's highly likely you will have joined the multitude of loaded shoppers. Kievskaya Metro conveniently lies just moments away.



Theatre Review

Marina Lukanina

"Don Quixote" The Stanislavsky Music Theatre

I won't deny that this is my favourite theatre in Moscow. I am always amazed at the wide spectrum of its repertoire and never-ending energy to stage new performances, to invite foreign directors, singers, and ballet dancers, opera singers to come and perform at its stage. The theatre has very ambitious plans for this season and you will hear more about it in upcoming issues of PASSPORT.

Recently I got an opportunity to see a revived version of Don Quixote, the ballet. It was originally staged in four acts and eight scenes, based on an episode taken from the famous novel *Don Quixote de la Mancha* by Miguel de Cervantes. It was originally choreographed by Marius Petipa to the music of Ludwig Minkus and was first presented by the Ballet Company of the Imperial Bolshoi Theatre of Moscow in 1869. The two chapters of the novel that the ballet is mostly based on were first adapted for the ballet in 1740 by Franz Hilverding in Vienna, Austria.

As the ballet begins, an aging nobleman named Don Quixote becomes obsessed with stories of ancient rivalry. Appearing a little silly, he uses his imagination and pretends to be a brave night. He imagines that he sets out to rescue the lady of his dreams, named Dulcinea. Don Quixote leads a charge against imaginary enemies, which he sees everywhere. He proceeds to fight invisible rivals, puppets, and windmills. Don Quixote and Sancho Pansa are not



heavily involved in the story-line. The ballet's best dance is a wonderful wedding *pas de deux*, performed by young lovers Kitri and Basilio. These roles have the best dance of the ballet.

Even though this theatre is always famous for its beautiful set design, I was absolutely amazed at the new scenery created by Valery Levental, a well-known theatre artist.

The ballet is worth seeing both because of the music and dancing and colourful set design that brings you back into an old Spain.

When: check the repertoire Where: The Stanislavsky Music Theatre 17 B. Dmitrovka str. Tel: +7 (495) 629-28-35 http://www.stanmus.com

"Meet the Orchestra": education program for school children at the Stanislavsky Music Theatre

A great example of thinking about future generations and the necessity to educate children about music is this recent program at the Stanislavsky Theatre called "Meet the orchestra". Through a music fairy-tale "Peter and the Wolf" by Sergey Prokofiev and the suite "The Animal Carnival" by the French composer Camille Saint-Saëns, the theatre takes its stand in attracting the young audience.

"Peter and the Wolf" was composed in 1936 and Prokofiev himself wrote words for the narrator who helps to follow the plot of the fairy-tale. Just to give you some interesting facts about this music fairy-tale: Walt Disney created a cartoon based on this fairy-tale; the audio versions were recorded by John Gielgud, Pe-

ter Ustinov, Patrick Steward and Sharon Stone. In 2004 the Grammy Award in "Children's Album with varied speech" was given to Mikhail Gorbachev, Bill Clinton and Sophie Lauren who acted as narrators of this fairy-tale. "The Animal Carnival" was created almost a century earlier. Saint-Saëns decided to depict by means of music different types of people and animals. So this interesting mix of Russian and French music traditions brings together children from age 5 and their parents to explore the beautiful world of the music theatre. Not to be missed!



When: November 12th, 13th at 2pm Where: The Stanislavsky Music Theatre 17 B. Dmitrovka str. Tel: +7 (495) 629-28-35 http://www.stanmus.com

Evgeny Redko and Felix Korobov, the Theatre conductors, photographer: Oleg Chernous



"The Russian Exercise-book" Valery Gavrilin with the The Moscow State Academic Chamber Musical Theatre named after Boris Pokrovsky

"The Russian Exercise-book" is an unusual performance-contemplation about the destiny of a Russian woman. This is where the synthesis of 20th century music and authentic folkloric text creates a feeling of unity between past and present, between paganism and contemporary world perception. The woman becomes not just an everyday character—rather the symbol of suffering and love. The action on stage is targeted towards a dialogue with the audience, a dialogue about her experience, her memories, loneliness, fears and hopes. Valery Gavrilin's music is used in this performance. His music is known for Russian melodiousness and lyricism. He introduced new forms of choir music based on the synthesis of academic and popular genres.

Young graduates from the Russian Academy of Theatre Arts worked on this performance. The leading role is played by Ekaterina Bolshakova, the soloist o the Theatre.

The performance lasts 1 hour.
To be honest it was a bit boring for me to watch this performance. The whole focus is just on one actress with minimum set design and it seems a bit like a music concert at the Conservatory. However, if you plan to spend an evening at the theatre (and even if it's a music theatre) you expect more than that. This performance is perfect for music experts and in particular for those who are familiar with Mr. Gavrilin's music and would be able to appreciate it to the fullest.



When: December 2

Where: The Moscow State Academic Chamber Musical Theatre named after Boris Pokrovsky 17 Nikolskaya str. Tel: +7-495-606-7008 http://www.opera-pokrovsky.ru

"Gorbunov and Gorchakov" by Joseph Brodsky The Sovremennik Theatre

The latest opening night of the Sovremennik Theatre is based on the Joseph Brodsky's drama poem "Gorbunov and Gorchakov".

The action takes place in a mental home where our two main heroes are talking to each other or with themselves. Joseph Brodsky wrote this drama poem based on his own experience of being forced to stay in two mental homes in Moscow and St. Petersburg.

Two young actors, Artur Smolyaninov and Nikita Efremov (grandson of a famous Russian director, actor Oleg Efremov), play the leading roles in this production.

There are various interpretations of this play; some see a Biblical connotation in it, some compare it with "Mozart and Salieri". I would suggest that each of you come up with your own interpretation of a story as that's usually the beauty of a brilliant work—that different people can see different allusions.

This production is not for an easy Friday night out with your family, rather is for an evening for contemplation. Both the young set designers who were invited to work on this "experimental production" and the young actors did a superb job. During the entire play I just couldn't help wondering how such brilliant writers as Joseph Brodsky and many others were put into mental homes, prisons, camps, etc., during the Soviet times.

When: November 8th, November 19th, November 25th - all shows start at 7:30pm

Where: The Sovremennik Theatre

19A Chistoprudny Boulevar Tel: +7 (495) 628 - 7749 www.sovremennik.ru



Education Briefing

Ross Hunter, MA (Cambridge), Headmaster,

English International School.

Autumn is the season for getting applications together for next year's universities. Families with children now in their last year of school will read the acronyms UCAS, SATs, maybe TOEFL or IELTS with a mixture of angst and excitement, and the words rent, student loans, debt waiting lists and maybe even "clearing" with undiluted dread. Does it help to state the obvious? Maybe! The knowledge that thousands of families like you are going through the same process at least eases the loneliness of the predicament.

Autumn is therefore also high season for recruitment fairs, in various formats. First off was the keynote British Council "Education UK" fair, held in October at the Ritz Carlton. By every possible measure, this was the best yet. The capacious exhibition halls were packed from early Saturday to late Sunday. There were significantly more universities and UK schools present, and on average, they were higher up the rankings. Most striking, each stand had higher profile staff—directors of admissions, professors,

experts in their fields, and professionals who could answer detailed admissions questions.

Why such an impressive turn out? Some factors are obvious. Those early economics lessons in demand and supply suddenly seem more relevant.

As Russia's economy and society develops, expectations and hopes rise. The demand for overseas higher education is rising exponentially. If the UK is good enough for exiled oligarchs, business entrepreneurs, newspaper magnates, writers and football club owners, then it is attractive for aspirational families too. European and especially UK universities are more than happy to welcome them. Inquiry-based learning, top quality courses in a large and disparate selection of fields, flexibility, freedom of thought and globally-recognised examination standards together make a powerful magnet.

On the other side of the equation, higher education is not cheap. The cost of tuition for local students is rising in large steps, so that next year there will be little difference between "home" and "international" students, at least for arts courses. (Putative scientists, medics,



Education Section





and astronomers, inter alia, beware, and check prices carefully before you commit yourself!) The BA and BSc courses which started as the leaves began to fall are the last before tuition costs all but triple, at least in England. Competition for places this time round was tighter than ever before. September 2012 may well have shorter queues. The universities are agile, market wise and entrepreneurial. It is a good time to be an applicant.

Throughout the weekend, the flow of potential students was impressive. The British Council (www.britishcouncil. ru) managed the event with impressive aplomb. Few stands did not have steady

queues, and guests staggered down the opulent curving staircase with full magazine bags and fuller dreams.

The following week, the Radisson Hotel at Kievskaya hosted another fair, with a remarkable variety of schools and universities in assorted places as far apart as Spain, Finland, Switzerland, Canada, parts of the USA, Belgium, Italy and preuniversity courses in Moscow and the UK and more, and dedicated colleges for catering, languages and other specialisms.

For your diaries, the next big event is on 19 November at the Swissotel, where a large variety of pre-schools, schools and universities will be on display, representing institutions from Moscow, the EU, across the Atlantic and even across the Pacific. Your correspondent will be there, so I hope to meet you. November's

Education Briefing will highlight higher education options in Moscow and beyond, and this topic is also a focus of the AEB's "Bringing Ex-pats to Moscow" conference in late October. At least 12 UK universities host undergraduate or graduate courses in Moscow: if you are one of them, please contact PASSPORT Magazine or ross_hunter@englishedmoscow.com so we can pass the word on.







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How Can Foreign Employees Avoid Becoming Victims of Employers in Russia?

Alexander Ksenofontov, Senior Lawyer, LEVINE Bridge

While in Russia, the employment of a foreign citizen is regulated by Russian Labour law regardless of country and employer for which the employment agreement was concluded.

According to Russian law, foreign citizens possess the right to freely pursue employment, choose the type of activity and profession, as well as the right to freely use his/her ability and property for entrepreneurial and other activities not prohibited by law, subject to the limitations provided by federal law.

In most cases, foreign citizens require a work permit in Russia.

Cases in which a work permit is not required:

A foreigner holding residency status; Accredited journalists;

Russian migrants from abroad;

Diplomatic and consular officers and their private staff;

Students working in their free time; Certain researchers and/or teachers;

Employees of foreign companies producers and suppliers of equipment in Russia for installation and maintenance of equipment;

Employees of foreign companies' representative offices, if in their country of origin Russian citizens are provided the same privilege.

Upon entering into an employment agreement, foreign citizens should know that generally employment agreements are without term limitations. The nation-



ality of an employee is not grounds for a limited term Labour agreement. If the agreement is for a limited period, and in the absence of legal grounds, the court may declare the agreement valid for an indefinite period. Reasons for which an employment agreement was entered into for a fixed-term must be specified in the employment agreement.

The terms of an employment agreement cannot be worse than the conditions to which is protected by Russian Labour law. Labour law provides an employee with certain minimum rights and guarantees, without exception.

Salary must be paid in roubles. If an employee requests payment in a foreign currency, it is permitted for the employer to transfer wages from one foreign account to another foreign account.

An employer inviting a foreigner to Russia must include financial, medical

and housing assistance during his/her stay on the territory of the Russian Federation. In this regard, a foreign citizen must appropriately include the terms of the relevant social package within an employment agreement.

Place of Employment can be used for the purposes of migration registration (registration of temporary residence). This type of registration is mandatory for all foreigners in Russia.

With salary earned, an employer shall withhold from a foreign employee personal income at a rate of 30% for those not classified as taxed residents of Russia and 13% for taxed residents, Highly Qualified Specialists, and certain other categories.

Termination of employment is permitted only with legitimate grounds and is strictly limited by federal law. Only certain workers, for example corporate executives, can be included in the list of grounds for termination an employment agreement. In other words, Russia has prohibited arbitrary dismissal.

Upon dismissal, an employer must compensate for departure costs, if in accordance with federal law the foreign employee is required to leave. It is suggested that a foreign citizen include within the terms of an employment agreement level of compensation in the event of travel to a new employment destination.

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A Day Out



Final Part: Circuits Close to Home

Text and photos by Ian Mitchell

The general answer to the problem of taking exercise is to find something you enjoy doing, then do it regularly. With cycling in Moscow, the key thing is to find a circuit you can take from your own front door, yet which is reasonably scenic, tolerable from a traffic point of view, and adequately surfaced.

After a lot of experimentation, I have found such a route. It runs from Novy Khimki into Stary Khimki then out into the forest beside the Moscow-Volga canal and on round, past the allotments at Ivakino, then back through the controversial Khimki forest (where they are building the new highway to St Petersburg) and on to the Leningrad Chaussee near IKEA and home. It is 24 kilometres of mostly well-paved road. Roughly a quarter is through Khimki (not an unattractive town), a quarter through the woods and fields nearby, a quarter through a dacha-suburb area and a quarter through the back end of the Khimki industrial park—which has its own interest and surprises.

A 26 km variant misses the last of these sections and instead takes me out to the airport and back along the Sheremetyevo highway, which is as pleasant to cycle on as the MKAD. A 30 km variant which starts on that road, though going in the opposite direction, but then carries on round the east end of the runways, past the north side of the complex (and the original, 1960s terminal) and returns to Novy Khimki after completing a full circuit of the whole airfield and returning through the peaceful 1950s dacha settlement at Podrezkovo. Finally, I can combine the first and third in a 35 km route. These circuits take from 60 to 90 minutes, depending on wind and traffic, which is enough that the lingering Calvinist in me can enjoy a guilt-free bath on a sunny Wednesday morning when all respectable people are hunched over their works-stations.

It was two years ago that I discovered, quite by accident, that the last of these routes goes past an unusual attraction. Part of the pleasure of cycling is the surprises which you would not notice driving past in a car. One of these lies just north of the east end of Sheremetyevo, on an area of concrete hard-





standing which was presumably once part of the airfield.

Today it is outside the perimetre road and home to one of the more unconventional of the many fascinating "museums" in and around Moscow—in this case a range of old Soviet-era aircraft. There are perhaps twenty of them partly concealed behind a wall of trees. They range from a giant llyushin transport plane, through helicopters (some partly dismantled) and a selection of different Tupolevs to a "Backfire" bomber, as the supersonic, swing-wing, long-range Soviet nuclear strike aircraft was called by NATO. All are standing gathering pollution dust, next to a smaller collection of old Soviet mobile radar trucks.

I pulled my bike off the road and addressed the black-uniformed guard and his collection of large but ragged dogs, all on long rope leashes and barking at me in a hostile frenzy. 100 roubles did the trick and I was through the barrier.

Apart from the interest of getting up close to these impressive machines, there was also the fact that a static ladder had been drawn up next to the wing of a Tu-154 of the sort that brought the Polish President and his party to grief a year ago at Smolensk. The escape hatch at the base of the wing was open, so I climbed up, noticing how alarmingly easily the whole wing flapped up and down as I walked on it.

Inside, the seats had been taken out and it was possible to go for'rd to the cockpit, where the instruments seemed to be





largely intact. On an old table in the main cabin was a collection of the original typewritten, cyclostyled operating manuals.

The Backfire bomber also had a ladder next it, and I climbed up and peered in at the cramped, two-man cockpit, from which the radar displays had been removed. Underneath, the bomb-bay was open, showing the area, not much bigger than two coffins laid end-to-end, which would have contained the nuclear weapon. Beneath this, abandoned on the tarmac, lay the battered radar receivers that had been removed from the cockpit.

Looking at the complexity of it all, and reflecting that every single part in all these planes had been separately specified, designed, machined, tested and installed by highly skilled but otherwise non-productive manpower, it struck me what a staggering waste of resources the Cold War represented, especially to a country like the Soviet Union, where most consumer goods were scarce and, latterly, often completely unavailable.

Later I checked the internet and discovered that, though the Backfire bomber was designed in the 1960s, and first flew in 1972, there are still 150 of these machines in service with the Russian armed forces. Why?

Wanting to update the information for this article, I recently stopped once again on this route and went in through the trees to have a look.

No dice. The rickety steel barriers had been crudely welded together, the dog squad reinforced, and the guard's hut moved so far inside the fence that, despite waving wildly, I could not attract his attention. The lesson of life in Russia, as in all fluid situations, is to strike while the iron is hot: expect the unexpected, and don't expect it to be there next time you call. I got in two years ago, but now could only look from the outside and shout ancient Gaelic curses at the enraged canine, nearly the size of a Shetland pony, which was leaping up and down with bared fangs in front of me as it zig-zagged back and forth on a travelling leash attached to a long transverse wire, like the safety line on the deck of a yacht, which gave it considerable freedom of movement.

The open-doored Tupolev was gone, as was the Backfire bomber, though some new jets had arrived. I took a few pictures for the record, then cycled on round my circuit, stopping this time to look at the old llyushin four-engined turbo-prop (much like a Vickers Vanguard) which is mounted on a plinth opposite the now-redundant 1960s terminal.

It was a lovely, hot Sunday so I decided to meander off into the roads and factories behind, just to see what I could see. I passed the Aeroflot laundry building and many other Soviet-style installations, until I saw a narrow road which wound away into the trees. Just for the hell of it, I decided to cycle on. After perhaps half a kilometre, the wood opened out into a little clearing which contained—wonder of wonders!—a beautiful little church.

On a work-bench in the shade of the firs and oaks a couple of Tadjik workmen were recreating the mouldings for the cupola bases, using plaster of paris. Inside a christening was going on. The interior was exquisite, and the exterior rapidly becoming so. The grounds were still unkempt, which added to the Russian feel of the whole scene.

On the way back out, I looked for a sign, but there was nothing whatsoever to indicate that this fine little jewel of Orthodox architecture lay just a few hundred metres from the centre of Russian aviation and travel. But that is Russia for you: expect the unexpected. And if you go by bike you will find so much more of it than by any other method of travel. Happy cycling!



The Polenova Estate

Text and photos by Tanya Shorova

With the busy life we lead we often get stuck in the city for many long weeks and weekends, surrounded by huge buildings, by noise and fumes from cars, with little greenery to mitigate the urban experience. I feel myself lucky when I get a chance to escape from the city's "pleasures" into the countryside. My recent discovery of such a place is the Polenovo estate in Tula Region—the home and residence of the famous Russian painter Vasily Dmitrievich Polenov.

My friends and I traveled to Polenovo by car on the Simferoposlkoye highway. We were glad to find a large parking place right next to the museum complex and were surprised to see that it was almost full. Another nice surprise was a neat café, where we immediately ordered blini and tea after the long ride. The café is in the same building with a booking office and some souvenir shops by the entrance, so you won't miss it.

It might be a little harder to get to the place if you choose to go by public transport: the closest rail way station, Tarusskaya, is 2 hours away from Moscow and then a 15-minute taxi ride to the estate. The train departs from Kursk railway station. You might need to depart early if you are planning a day trip to make sure you have enough time both for walking around the estate property and the museum.

Please note that there are no good hotels in the vicinity to stay overnight. The only real option is to rent a room or a whole house in one of the recreation centres nearby, which is what we did, but be prepared to find Soviet-era buildings and service. We got a 3-room cottage, with a shower and equipped kitchen. Everything was pretty old, but clean and in working condition. The house was about 20-minute walk from the river, where we found a nice small sandy beach and three other small groups of tourists having picnics.

The Polenovo museum is hidden in dense woods near the village of Strakhovo, on the hill above the Oka river. It has a re-







ally large, nice territory to walk around. The museum is open during the week, except for Monday and Tuesday, from 11am-4pm in winter, and summer hours are 11am-5pm. Tickets to the museum are 550 roubles, including permission to take photos. There is no charge for walking in the estate park. We spent about 5 hours there, including morning coffee and a small beach picnic.

The museum complex includes the Big House where the family lived, the Abbey house which was used as Polenov's workshop and as a studio for theatre activities, and a diorama showing the history of the estate workshops. I have to say I didn't expect to find Scandinavian architecture instead of typical Russian style all round the place.

What I liked about the Polenovo estate was that it gave a feeling of being a real, livable place—as if the hosts have just left somewhere for the weekend. One of the reasons for this is the original cheerful interior design of the rooms, which are enhanced by Polenov's paintings, some hand-made craftwork by family members and friends, as well as graphics and sculpture belonging to Polenov's family. There are many original photographs, household appliances and of course Polenov's library. Or maybe it is the idea of preserving some of the family traditions; Polenov used to organize a New Year party for local children with a theatrical performance by young ac-

tors. This idea still lives, and every year the "Children's Theatre of New Year Tree" involves 25-30 local school pupils. The Abbey is still used to store costumes and other settings of this children's amateur theatre.

I believe the early winter is still a good season to go there: besides the museum, you can also enjoy stunning views of the Tula Region, which is quite hilly and picturesque.



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The Island of the Sleeping Volcanoes

Frank Ebbecke, photos by Gabriel Fueloepp

It's grey outside. Impenetrable clouds lie like lead over everything. Including over my soul and mood. And it will stay like this more or less for quite a number of months. Time to say "Good bye". Sheremetevo? Domodedovo? Vnukovo? There are many ways to escape from here. And to take off to there. With just one easy stopover in one of the Western air hubs. About seven flight hours later the warmth surrounds you like a light winter coat. Which you could get rid off. Forever. The sky is wide open. And this is how you feel the first second you step out of the plane.

Light simply is life. And here is plenty of light. In all colours of the rainbow. Just depending on the time of the day. Or the night. Even the moon often shines like a floodlight. In heavy competition with the thousands of stars.

This is still Europe. At least politically. It belongs to Spain. But mainland Spain is 1000 kilometres away. In fact, it's much closer to Africa. A mere 100 sea miles off the West African coast. You may crunch a little of finest Sahara sand between your teeth. Sometimes. And over the horizon on the other side there's the East coast of North America. Just a couple of sailing days away. This is a true island in the sun. One of the Canaries, the easternmost. And a very special one. The island of the sleeping volcanos. Lanzarote.

Earth wind & fire. Here is an epicentre of these basic elements of our planet. Earth. Lanzarote. Born through fiery eruptions. Solidified lava streams. Bizarre rock formations. Originally formed about 35 million years ago. But the most impressive moon-like landscapes have been sculptured through enormous eruptions between 1730 and 1736. Today's Timanfaya National Park can be explored on the back of a camel. And you can listen to classic music concerts in the longest lava stream cave in the world, in the cave of Los Verdes. Lanzarote enjoys a UNESCO Biosphere Reserve protected side status. With merits.

Fire. Well, that's exactly what the volcanos spit out. Subsequently one of the signature signs of Lanzarote is the "Fire Devil". A unique figure created by the late Cesar Manrique. Probably the most prominent son of Lanzarote. In 1919 he was born in its little capital Arrecife. He became a respected sculptor, painter, architect, community planner. Influenced by compatriot artist like Joan Miro he worked hard and had exhibitions across Europe and in New York. In 1966 he came home to Lanzarote. His residence is in lava caves. Based on his own plans. It's a must not to be missed. Much more than that Manrique had a major influence on Lanzarote's planning regulations when tourism took off. One great success is the lack of high rise hotels and other buildings. There was only one built. The "Grand" in the capital. More a modern, singular landmark. But a visual irritation. Especially because it's right next to a public sandy beach which has beautiful palm trees.

"Home is where the heart is." As people say. And heart certainly means people. Lanzarote is believed to be the first of the Canary Islands to be settled, by the Phoenicians around 1100 BC. Then all the pirates came (predecessors of some sort of tour-



ists nowadays). From Portugal, Greece, France, England, Turkey. From wherever. Today just 139,000 people inhabit the island, they are mostly Spaniards. But apart from them, there is a good mix of Africans, Latin Americans Northern Europeans and some other ethnics who all call Lanzarote their home. Lucky them.

Antonio is a Spanish local. Young. Healthy. Olive skin. Black hair. Warm, brown eyes. The hat gently pushed in his neck. Can make you jealous. You hardly notice him in the middle of all these women of all ages around him. Trying to get his attention, Antonio simply farms the best local fruit and vegetables with his own hands. With nothing else but nature, for a more than a fair price on the market in Teguise. The picturesque, ancient capital of Lanzarote. Each Sunday.

Bruno comes from Northern Italy. He might be in his fifties. He looks like a left over "flower power hippie" from Sausalito. With his long hair, muscular arms. Covered with tattoos. His soft, gentle body movements. In the back of his car a decal: "Get free. Start a Revolution." Well, he apparently did, for himself. He left his homeland (even if also not that bad) and went further South. He and his wife run a tiny café with delicious coffees, pastries, homemade ice cream. A daily must for locals and tourists in Costa Teguise. Just for a short, indulging stop at "Bruno's". Provided he has opened. Sometimes he just closes for the rest of the day and goes surfing.

Stefan could be Bruno's German brother. Judging from his outfit, hairstyle, tan. He came here almost two decades ago. He was fatted up with lots of things back home then. And then he suffered from a personal loss, he said. He changed his life to be a swimming pool specialist and a trustworthy housekeeper. For those international owners who only can afford to spend their vacations here, a couple of times a year. He's the one who's lucky to stay.

Melchior is another German. On the first encounter he carried a tiny bouquet of multi-coloured, beautiful flowers in his hands. He came because he was asked to advise about a new architectural project for a private garden. That's not necessarily what he'd done before in his former home in the distant north of Germany. But now he seems to be happy.

Suzette spent two-thirds of her life in buzzing London. One day she had enough. She took the two youngest of her four children. And moved right here. She paints and writes books. From her terrace she can watch dolphins playing in the ocean. These animals also became the main subject of her work. She portrays them on driftwood she finds by the sea shore. "The ever changing light and energy on Lanzarote fulfilled my artistic dreams" ... and changed her whole life. She claims. And happily smiles.

From a more touristic point of view, Brits and Krauts share the island. And the waterholes. More and more French have been coming for a few years. And the planes from MAD and BCN are full of mainland compatriots. Some sleepy fishermen's villages have turned into tourist melting pots. With a buzzling nightlife. And lots of beer. Still kind of easy to avoid them. Large parts of Lanzarote are still reasonably untouched. Natural. Original. Never can imagine that the endless, mountain-framed Famara beach in the North will ever be really crowded. Other than probably once a year. When the wind-surfer elite invades the place for one of their world champion competitions.

Here, life is slow. Life is low. Living is easy. And pleasantly cheap. Just catch your own sardine. Put it on the grill. Uncork a bottle of island-grown wine. That's it. What else? Burn your tuxedo, sir. And your cocktail dress, madam. Shorts and T-shirts will do.



Sure, there are other islands in the sun. In the Caribbean. In the South Pacific. In the Indian Ocean. Elsewhere. Where you have a feeling of a little bit of paradise is a very personal thing. But Lanzarote is a true temptation. It's so near. It's so widely unspoiled. It's so much caressing with a climate perfectly suitable for European bodies. All year round. No real sun burn. No wetty sweating. Always a good breeze coming in from the sea. From mild to mighty. "Living to work (yes, I'm German) or working to live." With a place like this—there's an easy answer.

Can't wait to savor my next "Calajillo" there. With a view on some beach. Or some naturally sculptured rocks. And further over the big waters all the way to the Americas. Or to Africa. Maybe, one time I even shall recognize these other continents. Right from here. Probably after enough "Calajillos" ... which is a very small, very strong espresso with a generous shot of Spanish brandy in it.



The Way It Is



International Women's Club of Moscow starts its new season

Marina Lukanina

The IWC is the largest women's club in Moscow and is open to all expatriate women and men residing in Moscow. The purpose of the IWC is to promote friendship, to further cultural activities among women of all nationalities residing in Moscow and to raise funds to be donated to charitable activities. The IWC runs a busy schedule of coffee mornings, monthly general meetings, charities general meetings, fund-raising events and other special events. Together with Interest Groups, the meetings and events provide the members with lots of opportunities to meet new people and explore life in Moscow. You can become an IWC member at www.iwcmoscow.ru/general-meetings.html (general meetings) or www.iwcmoscow.ru/coffee-mornings.html (coffee mornings). The annual membership fee is RUR 2200. The membership season runs from September through August, but it is possible join at any time. Guests are welcome but must pay a RUR 250 guest fee and cannot join any IWC interest groups unless they are a paid-up club member.

PASSPORT met with Anu Trigunayat, the current IWC President who is from India.

How long have you been with IWC?

This is my 2nd time in Moscow as my husband got posted here for the 2nd time as a part of the diplomatic mission of



India. We were here ten years ago. I was involved with IWC of Moscow back then. This is my 2nd time on the Steering committee. I have been involved with different charity groups in different countries where we got posted.

I was elected President of IWC of Moscow in June 2011 for 2011-2012 term. This is one of the biggest clubs in the world. In a lot of other countries IWCs are generally social forums for getting together and to have fun. IWC of Moscow is one of the few which is heavily involved in community work through different kinds of charitable events.

How big is the IWC of Moscow? What are your key events throughout the year?

We have over 750 members. The numbers keep increasing every day. Just to give you a little background of how the organization is run. We have an IWC President along with 2-3 Co-Presidents working together. With them there is also a Steering Committee which has different chairs: Fundraising, Donations Office, Members Registration, Public Relations, General Officer, Treasurer, General Meeting Coordinator, etc. It is a hard work as it is not easy to run a group of 750+ members, however it is rewarding. We have monthly General meetings and we try to do something international every month. For the past 20 years traditionally we have our first General Meeting of the year to sign up for IWC membership at the Spaso House, the residence of the US Ambassador.

The IWC organizes two major fund-raising events each year in support of our charities: the Winter Bazaar, and the Embassies of the World Dinner and Ball. Both have become highlights of the Moscow social calendar.

We have on-going charity projects. Our Charity Chair along with the Charity Board work together to manage and execute charitable initiatives.

What attracts people about IWC?

One of the most important features that attract lots of expats and Moscow residents to the IWC are interest groups.



We have more than 19 interest groups. If you want to learn icon painting or sculpture or you would like to join the architecture walks or Bible studies group you can sign up to all these Interest groups as long as you are a member. You can find a whole list here: http://www.iwcmoscow.ru/full-list.html. I invite all ex-pat ladies to join as it is not only a social club but also it is a way of getting help to get adjusted in a new country. We have Newcomers coffee meeting that we hold almost every week where we distribute special booklets that provide some sort of a guideline about living in Moscow.

Could you highlight some of your charity support projects?

We have lots of ongoing projects for charity as well as onetime ones. To highlight a few: we have a special project to support children who suffered from burns. Not only they need physical support but also emotional and psychological so we organize puppet shows for them to make them feel happy and to show a brighter side of life.

We provide support for one orphanage part of a convent where the nuns take care of 35 girls. We give money for the meals and cleaning materials. We supply arts and crafts materials for Mother Teresa Home for Orphans for mentally challenged children and children with physical disabilities. There are a lot of foreign students in Moscow who really do not have enough money to support themselves. We provide them with free lunches on Sundays. We also do not forget about elderly people who very often to do not have anyone to look after them. We organize soup kitchens for them serving almost 200 meals a day for five days a week. So I would say the focus of our charity activities is multidimensional. It covers everyone from children to elderly people.

If we decide to help a charity, we require a full report from the organization as to how the money will be spent, and closely monitor the funds after we allocate them. It is vital for the transparency of our finances and our records.

Who helps IWC in this honorable activity?

Clearly we would have been able to run our charity events without our sponsors and the help of our volunteers. I would like to take this opportunity and thank all our sponsors. Our biggest sponsors are the Radisson Slavyanskaya Hotel where we hold our Winter Bazar every November (this year it will held on November 26th from 10am till 4pm); the US Dental Care, several businesses that provide us with gift cards and vouchers. I also would like to thank all the Ambassadors and their wives who opened their doors for us to hold our events, such as the Embassy Dinner Ball.



And last but definitely not the least I want to express my deepest appreciation to our loyal pool of volunteers who work around the clock to make things happen. I am truly amazed at their dedication. Without them we would not have been able to pull these events together.

What is it that you like about living in Moscow?

I love Moscow. I love the drive over the bridge where you can see the Kremlin; I love the Tretyakov Gallery, Old Arbat, Ismailova market, little cafes. I think Moscow is just an awesome place to live. The subway is a real work of art. Everyone who is new to Moscow should take time to explore some of its stations. Moscow has changed a lot and for better in the past ten years. I personally rate Moscow is one of the most beautiful cities in the world and have special place in my heart for Russia.



Russia's Public Relations Dilemma





Art Franczek,
President
of The American
Institute of
Business
and Economics

Art Franczek

As I walk around Moscow I am constantly reminded of Russia's transformation in the last 20 years. I see a Starbucks or other coffeehouse on almost every corner. Every Metro has a McDonalds that is crowded with customers. In fact McDonald's profits increased 42% in 2010. Wendy's fast food outlets have come to Moscow and it plans to open 190 restaurants in Russia. Foreign industrial companies are also thriving in the Russian market. Coca-Cola in Russia is one of the company's most profitable in the world. Pepsi-Cola has recently expanded its operations by acquiring Wimm Bill Dann Juice Company. Aeroflot has recently ordered eight planes from Boeing. John Deere has greatly expanded its operations to take advantage of Russia's developing agricultural sector. There any many more international companies who are quite successful in Russia's developing market.

Russia's IPO market is at a record high with companies like Mechel preparing to list on the London Stock Exchange. Moscow is preparing to become a leading financial centre while it develops Skolkovo as Russia's Silicon Valley. President Medvedev has said Russia must diversify its economy from its dependence on oil that generates 50% of budget revenues. Medvedev has also stated that the domination of state-controlled companies has led to low entrepreneurial and investment activity which was threatening the loss of the Russian economy's competiveness. Medvedev's plan for modernization and innovation is designed to reverse the trend toward centralization. Recently, it was announced that the plan for \$50 billion of privatization would allow giving up majority

interest in companies such as Rosneft. Russia is also hosting such international events as the 2014 Winter Olympics and the 2018 World Cup. On the surface all of this provides Russia with material for a public relations campaign to attract foreign investment and tourists.

A recent article in *Foreign Affairs* cogently describes factions that exist in the Russian government. The statist camp believes that modernization should come from a top-down approach with the state as a primary agent. This camp believes that democracy is less important than stability and also believes that investors are better served by an authoritarian regime than by democratic chaos. Modernization should proceed slowly. As Putin has said, "We don't need any kinds of leaps." In Russia, the potential victims of modernization are many: state bureaucracy, inefficient enterprises and the many that thrive on them, the Russian economy's numerous monopolies, and the sizeable part of Russian society that has an instinctive resistance to innovation. This is not to mention the members of the political elite, who have a personal interest in maintaining the status quo.

The other camp favours deep modernization and believes that the state bureaucracy is not capable of guiding and directing resources toward innovation, nor have Russian capital markets shown much interest in innovative technologies. This camp argues that a critical mass of foreign investors meanwhile will not come to Russia until they feel reasonably confident and protected by the law. The Andropov model of top-down bureaucratic reform may have had its uses combating hooliganism in the streets, but will not promote the kind of creative thinking needed in a modern information society. So far Skolkovo has been primarily a state project.

Russia has a major problem with corruption. It ranks 154th out of 178 countries on the Transparency International Corruption index. The country also has a well-deserved reputation for a stifling bureaucracy. In a World Bank survey of the process required, in 182 countries, to obtain construction permits Russia was found to be the second most difficult in the world. Stories of corruption are legendary and include such companies as Siemens, Hewlett Packard and Daimler. Illegal payments are over \$400 billion. This is much more than a Pub-

lic Relations issue because it costs Russia billions of dollars in lost foreign direct investments (FDI).

During the Georgia conflict in 2008 the Western media portrayed Russia as the aggressor and compared this conflict to Russia's invasion of Afghanistan or Czechoslovakia. Georgia dominated the PR front. Within hours of the Russian intervention, the Georgian government began sending hourly e-mail updates to foreign journalists. The English-speaking Columbia-educated Georgian President, Mikhail Saakashvili, appeared live on CNN and the BBC. It seemed that 80% of the Western media coverage was pro-Georgian. Old Cold Warriors like John McCain (whose top advisor was a lobbyist for the Georgian government) suggested that Russia be expelled from the G8. Ironically, independent studies reinforced Russia's position that Georgia started the conflict. In this case Russia failed in the PR war and this cost it significant damage to its international image and also a loss of FDI.

Michail Khodorkovsky who was convicted of tax evasion in 2003 is treated in the Western press as a martyr comparable to Andrei Sakharov. As Matt Taibbi describes in a recent article Khodororkovsky acquired the Yukos oil company for a fraction of its value in a rigged auction. His tax evasion charges were well founded under Russian law and the case against him was based on fraudulent tax exemptions from the Republic of Mordovia. Certainly, the prosecution of Khodorokovsky was politically explosive but to a large extent was brought on by his own outspokenness and obstinacy.

In November of 2009 Sergei Magnitsky a tax lawyer for William Browder's Hermitage Capital died in Moscow's Matrosskaya Tishina prison. Sergei had been investigating alleged accusations against officials in the Interior Ministry for fraudulently receiving tax refunds using documents stolen from Hermitage. He had been in jail for 11 months on charges that he was involved in tax fraud. During that time he was pressed by the guards to implicate Browder in the crime. When he refused he was punished, before he died the prison doctors claimed he was psychotic and he was denied medical assistance for his stomach condition.

The Interior Ministry denied an independent autopsy of Magnitsky's body and its spokesperson denied any wrong doing by the Ministry. A few months later the Ministry accused Maginitsky of being the master-mind of a \$230 tax fraud. The official investigation exonerated Oleg Silchenko the Ministry's chief investigator of any wrong doing.

Recently, a report from the Kremlin's own human rights commission was presented to President Medvedev. It concluded that Magnitsky's death was the result of severe beatings by prison guards and the withholding of treatment by prison doctors. The report also blamed top officials for covering up the whole affair. The report also provided evidence that Magnitsky's original arrest was unlawful. Medvedev has backed this report and ordered a criminal investigation of prison officials. Human Rights activists have hailed the probe as a possible sign of progress, noting that it was the first time government officials blamed anyone for Magnitsky's death.

Holland, Canada and the EU have proposed visa bans for Russian officials involved in Magnitsky's death. The United States Senate currently is debating a bill that not only bans these officials from receiving visas but would also freeze their US assets. The US State Department has tried to pre-empt this legislation by submitting its own black list of Russian officials. The US Senate is also considering linking the Magnitsky to repeal of Jackson

Vanik, a Cold War relic that denies Russia Most Favored Nation status for trade with the US. Russia has responded by suggesting that legislation might be enacted against Americans adjudged to have harmed Russian citizens. The US sanctimoniously lectures the rest of the world on the rule of law and democracy. This is ironic when you consider the recent corruption in the US financial system and its corrupt presidential election of 2000. It seems that corruption in the US is masked by legal nuance.

The residue of the Cold War strongly exists in both Russia and the United States. Influential Russophobes in the US assail Obama's reset policy as a "capitulation", a "dangerous bargain" and a policy of "see no evil". It has even been compared to the 1939 Nazi-Soviet Pact. Ariel Cohen warns, "This is not your father's Russia.... Today's Russian leadership is younger and tougher.... Russia has become, in the precise sense of the word a fascist state. In Moscow harsh attacks are being directed at President Medvedev. According to the leading ultranationalist Aleksander Dugin, "The West stands behind Medvedev... No one stands behind Medvedev except enemies of Russia." Medvedev has even been accused of treason by a prominent general.

The Georgia conflict can be largely construed as a lack of good public relations on the Kremlin's behalf as independent reports indicated that the Georgians started the conflict. Russia had a legitimate tax fraud case against Khodorkovsky at least in the 2003 case. The charges in Khodorkovsky's recent conviction appear to be exaggerated and politically motivated. It might be in the Kremlin's interest to give him a pardon. Clearly the biggest public relations issue for the Kremlin is the Magnitsky case. This case represents much more than PR and is seriously impeding investor confidence in Russia. The tit for tat responses on visas between the US and Russia represent a bad dynamic that could impede the interests of both the US and Russia and lead to a New Cold War. A wiser way of dealing with this situation might be to follow the advice of Mikhail Fedotov the head of the Presidential Council for Human Rights who suggests that Russia compile its own Magnitsky list that can be enforced at the Russian rather than the US border and which could threaten those involved in the Magnitsky case with criminal prosecution.

In the final analysis, Russia must improve the substance of its legal and investment climate to improve its public relations. As Aleksei Biletsky of the Public Anti-Corruption Initiative movement has said Russia's accession to WTO will hopefully deliver a blow at corrupt officials of law enforcement agencies and provide investors with legal protection.



The Way it Is



Briefing by Alexey Venediktov,

Editor-in-Chief, radio station Ekho Moskvi AEB, October 10, Hotel Marriott Grand. "The mass media and the elections, the Fourth Estate, or what..?"

Compiled by John Harrison

On October the 10th the AEB organised a high informative briefing by Alexey Venediktov, the Editor-in-Chief of Ekho Moskvi radio station on a rather obscurely titled lecture: The Mass media and The Elections, the Fourth Estate, or what..? Here are the highlights of his talk and of the questions and answers that followed.

Many foreigners would love to know the answer to the question: what kind new Putin be when he takes office again next year? Could he become, as some American colleagues put it, a new Gorbachev? The world has changed vastly over the past 4 or 5 years, and as far as I can tell from my personal contacts with the Prime Minister, it is clear that he understands that there is a new situation and threats that this country has to face up to. He cannot come to power and be the same president as he was in 2000 or as Medvedev was in 2008. One shouldn't think that he is totally fixed in his ways.

His new programme has three major aspects. The first is to unite previous countries of the Soviet Union in a common economic bloc, and that is why he is now pushing for a customs-agreement between countries, with the aim of, together with the European Union, creating a third centre of power after America and China with Asia. What methods will he use to do

this? This is difficult to say, nevertheless, the man is 59 years old, and it is difficult to expect any completely new methods. Putin considers, as before, that the press is an instrument which can be used to resolve a task or problem, and not an instrument of civil society, it is an instrument which can be used by, let's say, its owner. If the owner considers that the instrument is the right for him, then he will use it, if he doesn't, then he will disregard it, as in 2000 with ORT and NTV, and then put them under state control.

The second aspect is, as I would call, is the issue of Caucasians vs. fanatics. If in some European countries, gypsies, for example, can be moved on, in Russia Caucasians cannot, because they are already amongst us everywhere. If in 2006 and 2007, the main threat was the expansion of NATO, when Georgia and the Ukraine strove to join NATO, this threat is now insignificant in comparison to problems within our own borders.

The third facet of the new Putin is dealing with the very serious state of our country's economy.

Naturally enough Putin's team will be replenished with new people. Who will come and who will go is not yet clear. Some older, tested members of his team will stay on, in one capacity or the other, as can be seen by Alexey Kudrin who will probably become either the chairman of the central bank or deputy head of the presidential committee of economic policy.

I haven't noticed any changes in regards to the concept of freedom. Putin and his team consider Russia to be a collectivist culture rather than individualistic. The new media, in particular social media has caused some concern. Putin himself does not use the internet, and distrusts it. He considers it to be a zone of manipulation and disinformation, perhaps justifiably. After all, systems of filtration of real messages from false messages on Twitter, Facebook and so on, have not yet been established. When something important happens, his press service prints him out a pile of reports and places that on his table. This is in complete contrast to the present President, who views his daily schedule on his iPad. Putin's approach is in opposition to the facts. I talked to professionals who organise elections in this country recently. They told me that the elections next year are going to be the last elections where television will play the decisive role in swaying the electorate like now. In five or six years, they say, people will be informed in a completely different way.

"Putin himself does not use the internet, and distrusts it. He considers it to be a zone of manipulation and disinformation, perhaps justifiably."

What real power has Dmitry Medvedev enjoyed over the past four years, and what will be his role in the future?

When Medvedev became President, he did in fact enjoy the mandate of the people. At least for the first three years of Medvedev's presidency, Vladimir Putin, during meetings and events, when talking about Medvedev, said that this or that question is to be decided by the President [not by me]. All the appointments in the 'A' group of civil servants were carried out by Medvedev on condition that Putin didn't oppose, but he didn't have to agree either. So Medvedev did actually have a lot of power. Foreign policy was given entirely to Medvedev, even when Putin was against Medvedev's decisions, as with Libya. Putin respects presidential power as something sacred. Why were Luzhkov, Mironov and Kudrin all sacked? Because they dared to raise their voices against presidential power. Putin always, when referring to Medvedev would say things like: "Yes, he's young, but he's the President". There were of course areas where Putin had a veto, for example with Khodorovsky. Medvedev knew better than to enter that territory. The fact that judicial and other reforms were started by the President but not finished tell us that he was unable to create his own team. I do hope that Putin will give Medvedev some authority to carry on these reforms in one way or the other as Prime Minister. After all, he will be a Prime Minister who used to be a president. Informally, I think that Putin considered Medvedev to be rather weak, that he needed to develop some more muscles to be the leader of this country. If Medvedev doesn't do this, as Prime Minister, in the midst of a crisis, I think Putin will show him the door in a year or two.

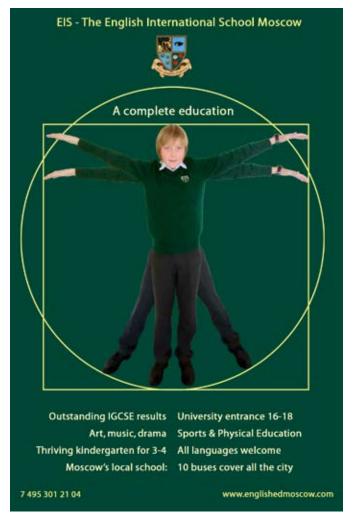
How should the media react when everything is already decided?

A section of the media will react and quite rightly so, but we all know that Putin will be President. We can criticise the decision, but 52 million people will come and tick the box for Putin. Therefore it seems to me that it is more productive not to concentrate on the people, but the programme. What will he do when the

crisis hits us, what will he do when 10,000 or 100,000 come out and demonstrate on Manezh square? The programme is what is interesting. Putin, for example, said recently: let's introduce a tax on luxury. What exactly is luxury? Is a car a luxury? If so, what kind of car? Is 15 sotok a luxury? The problem is that in Russia there is no opposition, and no independent arbitration court. A section of the press, actually quite a large portion of the press is free, where all these questions can be discussed. Five years ago the situation was worse. Internet was not developed then, cable television wasn't either. People are getting a lot more information. On the basis of that, let's organise a discussion. In the past, only groups like fascists and Stalinists joined together on the Russian internet. Now, over the past one and a half to two years, civil groups have started to organise, and this is great. We publish on our site lists of blogs, the whole thing is growing. This turbulent new mass media is giving a new platform to civil campaigners. Discussion of Putin's programme will make people think: what exactly do these people who are going to be elected, actually mean?

There have been recent reports about young people wanting to leave Russia. My question is where are they going to go, given than both America and Europe are in deep economic trouble, when Russia is relatively stable, economically speaking?

This is a reflection of a mood rather than a factual situation. It really doesn't matter who is coming back; Putin, Medvedev, Luzhkov, or whoever. The world of Russian business has formed, it is difficult to break in, the same can be said for almost every other career. People feel that they don't know how they are going to grow, to develop. The other aspect of your question is that



The Way it Is



some of the people who are emigrating know exactly where they are going, these are young scientists. Our laboratories are in a terrible condition, apart from a very few. When these young Russians hear somebody talking about the equipment in a lab say in a small university in Germany, they naturally want to leave not only because of the money, but because of the career possibilities. The people leaving Russia are not, as the French say, Polish plumbers. They are not labourers or want to work as taxi drivers in Paris. These are people mostly with a higher education who think that they have more chances in America, Europe, or Morocco, for example. This is a brain drain, not a migration of workers, unlike the kind of people who want to come here to work from the near east. This is a small but very serious problem, it's like a leak in the body's circulation of blood. So that's why we have Skolkovo. But there should be five or ten Skolkovos. There is another, horrible problem here: why don't any Russian universities appear in ratings of the top 100 international educational institutions? The reason is that our universities are not research universities. Our universities are educational institutions, not research units, for that, you have to go elsewhere, to research institutions. This will change, and our top seven universities will change their status and become research centres, but the transition is complex and reforms have been started late, only two years ago. But don't worry, there won't be a band of Russian lads in felted winter boots, strolling down the highway in Arizona to take American cattle herders' jobs!

Does the self-selection of Putin, for all his tremendous popularity, signify that the Western democratic path that Gorbachev and Yeltsin started here has finally come to an end? Will the internet be censored, as it is successfully censored in China?

The question about democracy can only be theoretically discussed. I told Vladimir Putin a year ago, "You have done everything to destroy competition, both in business and in the media." He said that he didn't agree. I think that democracy entails competition, and in a post-industrial society, competition drives people. Nevertheless, recently, we see that the government is pulling back a little on its control on capital in strategically important industries, making more markets a little more accessible. If the rest of the world encourages us to increase competition, it means that this will bring democracy. We won't be another Singapore. There is a small, too small, tendency in the direction of increasing competition and this is very important.

As far as the internet goes, yes, people might have to search through proxies. In the past, even that was impossible. Recently I had a discussion about the internet with the minister of Communications and mass media, Igor Shchegolev about regulating the internet. He said that you've gone mad, what regulation? We don't have the technical ability. What goes on in Chain is one thing, not the same as what happens here. Of course there is problem with things like paedophilia and how to make bombs on the net, but we just don't know at the moment how to control that.

Do you think that Putin will bring back a new era of stagnation?

One of Putin's most frequently used words is stability. He doesn't like to take great risks. If something can be left alone, he'll leave it alone. He doesn't like turbulence. Having two leaders, Putin and Medvedev, resulted in instability of the ruling class, as they felt uncomfortable having to get things signed off by two people instead on one. In this context, Putin's stability signifies stagnation. So the new Putin won't be a Putin/Gorbachev or Putin/Khruschev.

"I told Vladimir Putin a year ago, "You have done everything to destroy competition, both in business and in the media." He said that he didn't agree."

What about capital flight from Russia? If Brezhnev comes back in the form of Gorbachev, what is the big message that Putin's return means?

The reason for capital flight is clear. It is clear that the weakest point in the administration of Russia is an independent judiciary. Without confidence in the defence of rights and property, there is no confidence in investing in Russia. You could make a soap serial about what happened to BP here. So capital flight will continue until the judicial reforms that Medvedev tried to carry out are actually done. In reference to Brezhnev and Gorbachev.

Let's remember two Soviet reformers, Khruschev and Gorbachev. Who are these people? Khruschev was a Stalinist executioner. He even tried to impress his leader by increasing the quotas of people to be shot. Look at the archives. Then he became a reformer. What about Gorbachev? Here is man who voted against Sakharov under Brezhnev and in 1984 voted for the reinstatement of Molotov's party ticket, but who three years later becomes a reformer. What happened? Did Gorbachev realise that the world has changed? Maybe Putin will see that the world has changed? If he begins to carry out reforms, it won't be the first time an executioner has introduced reforms. The question is why? Because the situation forced these people, who are not stupid, to realise that new policies are needed.

We shall see what will happen to Putin. I think it is a question of survival and the different threats that face countries at different times. The message that is being transmitted is negative. We knew that Medvedev was not an elected president. Obama knew, all European leaders knew that, but they communicated with him as if he was an elected president. Vladimir Putin will be a legally elected president. If Vladimir Putin will allow you to develop your business and your business will be protected and effective, you will say thank you to Vladimir Vladimirovich. If he doesn't you will report him as being the head of a bloody regime, that's understood. We understand also, we are also pragmatic in this respect.

Russian Economy

Will enough soft-soap clean up the Russian economy?

Ian Mitchell

On September 21, the Association of European Businesses in the Russian Federation (AEB) held a morning briefing to give Odd Per Brekk, the Senior Representative in Russia of the International Monetary Fund, an opportunity to explain his view of the alternative scenarios for the future of Russian economic growth.

Mr Brekk's essential message was that the economy is unstable, and that this is due as much to governmental mismanagement than uncontrollable external factors. Growth is 4% per annum and falling, 50% of GDP is under the control of the state; and the investment rate is far too low.

The direct causes of this situation are well-known problems like too much tax evasion, too much favoritism in government spending, too little institutional autonomy, lack of respect for property rights and so on. The indirect causes are simpler, namely inflation at 7.5%. If Mr Brekk had one big message it was that the focus of fiscal policy must move from the exchange rate control to inflation targeting.

When asked to comment on possible future exchange rate scenarios, he said, "We do not make predictions about the exchange rate." Then he corrected himself and said, "At least we do not *publish* predictions about the exchange rate."

That comment seemed to me to encapsulate the problem with this sort of meeting: there was too much soft-soap and not enough abrasive pot-scouring. For example, Mr Brekk said that Russia had had "a pretty good crisis", even though the economy had contracted by 8% in 2009, much more than other comparable economies. Likewise, lessons had not been fully learned about how to avert a similar crisis in the future, yet the Bank of Russia had increased openness in its public reporting in a way which the IMF commended. There was something for everybody.

Mr Brekk presented three possible scenarios for future GDP growth. One was on current assumptions; one on the basis that the oil price dipped substantially; and one on the basis that it did not and the government started to get everything right managerially-speaking. However, the outcome in five years' time was not hugely different in each case. Moreover, when asked which scenario he thought most likely, Mr Brekk said, "I am an economist so I cannot say one way or the other."

When he was asked about corruption as an influence on economic decision-making and its impact on the economy, Mr Brekk would go no further than saying that the IMF simply considered it a factor in assessing the investment climate. Given that the recent Bank of Moscow bailout had cost \$14 billion, or 1% of GDP, much of which is said to have disappeared abroad, that seemed glib—to put it mildly.

Over coffee afterwards, the feedback I got was that many people thought this smoothly technocratic analysis was largely irrelevant to the real world. We all know that if the Kremlin-White House axis wants something to happen, money will be thrown at it. And if it wants to stop something happening, it has ways

of doing so. To try to assess Russian economic management on the basis of rational decision-making rather than the strength or weakness of particular interest groups seems to me to display either colossal ignorance (which I do not believe) or wilful disengagement from reality for reasons one can only guess at.

The point that corruption is central to any realistic consideration of Russia's future economic prospects was, by coincidence, made the following day in a long article in the *Financial Times* on the question marks still surrounding the Bank of Moscow bailout. The FT piece ended by saying: "As Russia struggles to return to growth rates it enjoyed before the global recession, questions over potential systemic risks hidden in its opaque banking system are the last thing the country needs." None of that had any place in the IMF analysis.

The AEB is to be commended for giving Moscow business people the opportunity to assess at first hand the quality of scrutiny carried out by the IMF on the Russian economy.

The PASSPORT prize for most soporific statement of the obvious was won by this quote (from Mr Brekk): "We think that with the right policies, Russia could do much better."

| PASSPORT Quality of Meeting Index (QMI) | % | Weighted factor outcome |
|---|----|-------------------------|
| Delegates making notes | 30 | + 60 |
| Delegates not making notes | 35 | + 35 |
| but apparently paying attention | | |
| Delegates looking round the | | |
| room, or whispering to | 15 | - 15 |
| neighbours | | |
| Delegates staring at their | 15 | - 30 |
| phones | | |
| Delegates sitting with eyes | 5 | - 15 |
| closed and/or heads drooping | | |
| QMI Total | | + 35 |





Economic Outlook



John Haskell

The near term outlook for the Russian economy is better than the outlook for the US or Eurozone economies. Corruption is a problem for Russia but not disabling.

The United States economy is in a serious hole. Not only has the US experienced its worst post-war recession (as measured by the increase in the un-

employment rate, persistence of unemployment and reduction of net worth), the policy responses which would bring the US out of its slump have been emphatically rejected by America's political class. Even the supposedly left-leaning President Obama is describing the Federal Government as having "run out of money" (an impossibility) and stat-

ing that the government has to balance its budget "just like a family". At a time when the household and corporate sectors are both trying to pay down debt, the government is the only sector that can increase its expenditure to keep the economy from shrinking further. But America's policy-makers are trying to cut government expenditure instead.





Twenty years ago the Japanese economy was hit hard by the bursting of a similar investment bubble. Like the United States today, the Japanese electorate repeatedly elected politicians who promised to cut the central government's budget deficit by cutting government spending. Over and over again, cuts in government spending caused a reduction in tax revenue so large that the result was a budget deficit as large or larger than the deficit before the cuts. The United States is absolutely determined to repeat this experiment and will likely spend the next 5 years doing exactly that. Only a few (easily ignored) economists are arguing against it.

With total debt (household, corporate and government) of 242% of GDP, paying down debt could put a brake on the US economy for a decade or more, depending on how the problem is handled.

By contrast, Russia at end 2010 had total debt (all sectors) of 71% of GDP with a government sector that was barely indebted at all (7%). The US Federal government was last so little indebted before World War One. If there is another dramatic downturn in the global economy (and events in the Eurozone encourage caution), the Russian government will be in an excellent position to borrow from its own citizens to add spending and buffer the shock. Furthermore, Russia's debt situation is qualitatively different from America's.

When Lehman Brothers bankrupted in September of 2008, the United States entered "debt revulsion," a situation in which corporations and households avoid debt per se, without regard to the profits they might make with the borrowed money. For the thirty years before that, and perhaps longer, Americans regarded taking on debt as something that was harmless and perhaps even smart. Throughout that

period, interest rates kept falling so servicing the debt kept getting easier, and if buying an asset with borrowed money, the value of the asset almost always grew faster than the debt. Refinancing was almost always available. Post-Lehman, Americans realized that without rising asset markets and the ability to refinance, they were catastrophically overindebted.

Russia is in no similar danger. Post-Lehman, many Russian corporates found themselves overindebted, not because they couldn't service their debts, but because the European banks from which they had borrowed suddenly told their Russian clients that they had to pay off the debt within the coming 2-3 years. This of course forced the Russian corporate sector to stop spending and brought about a sharp drop in the value of the rouble, the so-called "crisis" of 2008. Russian corporates now look at debt very cautiously, and in any case the banks that were lending the money, most of them in the Eurozone, won't be lending more money to Russia (or any other country) any time soon. The possibility of Russia getting into a debt trap is almost zero.

In addition to that, the Russian household sector is not indebted. Mortgage debt is 2% of GDP compared to 80% of GDP in the US. Increases in household income will lead directly to increases in household spending.

Russia's economy is often criticized for being excessively dependent on oil, notably by President Medvedev, who once described Russia's dependence on the oil and gas sector as "humiliating." But oil and gas account for roughly a quarter of GDP, and half of tax receipts. This is exactly the tax policy Russia should have, placing a larger burden of taxation on the oil and gas sector and less on the rest of the economy, to stimulate the development of the non-O&G economy. Maybe Russia would be less dependent on oil if the oil fields were not there, or there were a catastrophic breakdown in Russian engineers' ability to get the oil out of the ground. But these are hardly scenarios we should wish for.

With the developed world choking on debt, and oil harder and harder to find, Russia's economy is well placed for the next decade. Corruption is a problem, but Russia's total tax receipts as a percentage of GDP place it 172nd in the world. Even with the impact of corruption added in, businesses in Russia pay much less, over and under the table, than businesses in almost any other European country.

Café Champion



Len Nebons

Café Champion is an excellent Azeri restaurant located near metro novas-lobodskaya, between the ING bank Building and the VimpelCom/Beeline buildings. It hosts one of the best "Shaslishniks" in Moscow, and at low prices.

The shasliks are fantastic, as are the soups (120-220 rubles) and appetizers (30-200 rubles). For soups we recommend the spicy kharcho for 150 rubles. Also try the Dushbara, mini pilmenyi in broth, add vinegar to taste (160 rubles). The salads are standard (180-250 rubles), but keep to the ones without mayonnaise, as they are loaded. The best appetizers are stuffed grape leaves, called dolma, with a milky garlic sauce, lots of fresh garlic (220 rubles). The Kutabas are great, and come with greens, cheese or meat, these are thin pancakes stuffed and folded, fried in oil (70, 80, and 90 Rubles).

Main dishes are grilled on an open charcoal fire, which you can smell as you come near the café. Chicken shashlik is great, but make sure it is the breast (180 rubles). Lamb chops are fantastic, with a great spice, little fat (170 rubles). The prices range from 170-350 rubles per portion. Dishes come with Tajiki sauce and onions (no charge!). Home style potatoes are great, well fried with onions (100 rubles). A favorite Azeri dish is Kehgal, Lamb on thin pita for 200 Rubles. The sturgeon is well cooked and spiced up a bit.







Soft drinks come in half liter bottles and range from 50-100 rubles. Richelieu mineral water is 60 rubles for a half liter. Aqua Mineral is 50 rubles. Desserts are standard Russian, so don't bother. BUT, the Azeri grass tea is excellent, for 120 rubles, big pot.

The wines are from Azerbaijan, Italy, Spain and Chile and range from 550-1200 rubles per bottle, some of the best prices in Moscow. Azeri wines are 1000 rubles for a liter and excellent. Vodkas are 350-1500 rubles per bottle (500 grams), try the Azeri vodka called Kezyer for 750, it is fruit based. Stella beer is 120 rubles for a half liter.

Champion has 3 separate rooms, not all connected from inside. The front room has 10 tables of 4-6. It is the only room with bathroom access. The 2 back rooms have a bathroom outside, across the small parking lot.

Waiters try hard, but really have little experience and most don't speak English. Managers are friendly. The crowd is one which likes good food and good value. DUMA members, and Biznesmeni, with their black big cars out front being a normal sight. Smoking is allowed anywhere, all tables.

Café Champion has been around for 12 years and does not advertise, but is always quite full. Business lunch get you a 15% off the menu prices. The menu is only in Russian. So bring a Russian reader! All food is fresh from the farm.

14 Krasnaproletarskaya Ulitsa





BUSINESS LUNCH BUSINESS DAYS 12PM - 5PM

Out & About

Trafalgar Ball 2011

On the night of Saturday the 15th of October, many subjects of Her Majesty, along with several others, gathered in the Renaissance Moscow Monarch Centre Hotel to mark the occasion of the magnificent victory over the combined fleets of the French and Spanish navies on October the 21st, 1805. Members of the Taganka Children's Fund, the charity which did such a fantastic job in organising this event, put on an impressive impression of the battle, acted out in mimic and movement. A French cook prepared the evening meal, which was nevertheless was delicious! John Roche did a sterling job as the evening's MC, and her majesty's subjects danced away until morning. 208,000 roubles was raised in raffles for the Taganka's Children Fund. Well done all hands.



































Life is All Around (Всюду Жизнь!)

A Monday night in Moscow. Already tired from one day at work. An invitation to the theatre, no real desire to see a performance that lasts only one hour. Must be something wrong with this.

"This is a movement production about a village life." So the official programme goes.

"21 actors on stage are telling 21 stories using just the language of their bodies. Those are stories of meetings and partings; of false expectations, love and hopes. The show is full of optimism,

with the Stars on Russia 1 TV. He is justly remembered for his role of Vasechkin in a cult movie Adventures of Petrov and Vasechkin. Theatre-goers remember Yegor for his appearances in the Russian versions of Chicago and The Producers, and for his choreography for the new Russian musical Love and Espionage by Maxim Dunaevsky. Yegor had a dance education in New York and was a choreographer at the famous New York dance school "Steps on Broadway".

November 7 and 21 8 p.m. at the Mayakovsky Theatre (B. Nikitskaya Str. 19). ttp://www.vzhizn.ru/en/about.



How wrong could I have been. "LIFE IS ALL AROUND" is the first comedy directed by Yegor Druzhinin. Why it is called a comedy I do not know, as it is really a set of skits, performed with brilliantly executed dance and mime (not a word is said throughout the performance) which touch on eternal male-female motives. The music is a mixture of compositions of Goran Bregović, American jazz tunes, and the folk music of the Balkans. The music gives the performance a gypsy-type feel, but there is also Italy, France, and the Soviet Union after the war when women outnumbered men.

good mood, lyricism and trust in human race, full of speechless love."

The acting company includes actors seen in the musicals Love and Espionage, Monte Cristo, Mamma Mia!, The Ordinary Miracle, as well as TV series There Goes the Youth, The Uni, Interns.

The director of the performance is Yegor Druzhinin who was awarded with Golden Mask National Theatre award for his Leo Bloom as the Best Actor of the year 2010. He is a popular choreographer nationally acclaimed for his participation in the Star Factory on Channel One, and later as the fairest adjudicator in Dancing





AMERICAN

CORREA"S

New American, non-smoking environment, cool comfort food at several Moscow locations 7 Ulitsa Gasheka, 789-9654

M. Mayakovskaya

STARLITE DINER

Paul O'Brien's 50s-style American Starlite Diners not only have the best traditional American breakfasts, lunches, and dinners in town, they draw a daily crowd for early morning and lunchtime business meetings. Open 24 hours. 5 locations.

M. Pushkinskaya

Strastnoy Blvd. 8a, 989 44 61

M. Mayakovskaya

16 Ul. Bolshaya Sadovaya,

650-0246

M. Oktyabrskaya

9a Ul. Korovy Val,

959-8919 M. Universitet

6 Prospekt Vernadskovo,

783-4037

M. Polvanka

16/5 Bolotnaya Ploshchad,

951-5838

www.starlite.ru

AMERICAN BAR & GRILL

This veteran Moscow venue still does good hamburgers, steaks, bacon & eggs and more. Open 24 hours.

2/1/ 1st Tverskaya-Yamskaya Ul, 250-9525

BEVERLY HILLS DINER

The new kid on the diner block with a full range of American standards.

1 Ulitsa Sretenka,

M Chisty Prudy

HARD ROCK CAFÉ

For those longing to Americana, HRC"s main asset is its great location on the Old Arbat overlooking the busy pedestrian mall. The usual rock paraphernalia and a somewhat mediocre presentation of the HRC standard menu. 44 Stary Arbat, 205-8335

M. Smolenskaya

www.hardrock.com

ASIAN

Indian Restaurant Krizhizanovskovo Street 20/30,

M. Profsayousnaya

www.aromamoscow.ru

+7(495) 543-54-26

TURANDOT

Fabulous Asian food in a palatial and exquisite setting. The owners reportedly spent a mid-eight figure amount on the fit-out including a two million dollar dim-sum kitchen. Try the Wasabi shrimp. 26/5 Tverskoi Bulvar, 739-0011

M. Tverskaya, Pushkinskya

www.turandotpalace.ru

MR. LEE

Fashionable and expensive Chinese from Novikov. 7 Kuznetsky Most, 628-7678

M. Kuznetsky Most

NE DALNY VOSTOK

PASSPORT's 2009 number one Moscow restaurant. Chef Glen Ballis turns out fabulous crab specialties, Asian, grill and salads. Come by when they bring in a big tuna. "Classny. 15 Tverskoy Bulvar, 694-0641, 694-0154

M. Tverskaya

http://eng.novikovgroup.ru/restaurants/

COFFEE AND PASTRIES

COFFEE BEAN

Jerry Ruditser opened the first coffee shops in Moscow, and still serves the best coffee. Smokefree. Several locations.

56 Leningradsky Prospekt, 742-3755

www.coffeebean.ru

COFFEE MANIA

The Coffee Mania next to the Moscow Conservatory is a popular daytime informal business venue. Open 24 hours. Several locations.

13 Ulitsa Bolshaya Nikitskaya, 775-5188, 775-4310

M. Arbatskaya, Biblioteka im. Lenina

www.coffeemania.ru **STARBUCKS**

Now has 32 locations.

www. starbuckscoffee.ru

VOLKONSKY PEKARNYA-KONDITERSKAYA

The coffee service at this bakery takes second place to its fabulous French-style baked goods. Smoke-free.

2/46 Bolshoi Sadovaya

M. Mayakovskaya

EUROPEAN

CARRE BLANC

Moscow's top French restaurant. Try the bistro and weekend brunch.

9/2 Ul. Seleznevskaya, 258-4403

M. Novoslobodskaya

www.carreblanc.ru

BLACKBERRY

Elegant but comfortable with an eclectic international menu: Asian, Russian, Italian, sushi and other cuisines.

10 Academic Sakharov Prospekt

926-1640, 926-1645

M. Chistiye Prudy

CAFE DES ARTISTES

Restaurant and bar offers fine European cuisine in a relaxed atmosphere, often with recent artwork on the walls of the upstairs room.

5/6 Kamergersky Pereulok, 692-4042

M. Teatralnaya

www.artistico.ru

GALEREYA

Trendy, lavish and expensive. The place to see and he seen.

27 Ulitsa Petrovka, 937-4544

M. Pushkinskaya

eng.novikovgroup.ru/restaurants/

GRAND ALEXANDER

Named after poet Alexander Pushkin, this opulent restaurant at the Marriott Grand Hotel is one of Moscow's top French-European restaurants.

26 Tverskaya Ulitsa, 937-0000

M. Tverskava

JEROBOAM Ritz-Carlton's Jeroboam, under the stewardship of celebrity German chef Heinz Winkler, offers "la Cuisine Vitale" in the new building that replaced the eyesore that was the Soviet-era Intourist Hotel.

3 Tverskaya Ulitsa, 225-8888 M. Okhotny Ryad

KAI RESTAURANT AND LOUNGE

Some of Moscow's best contemporary French cuisine with an Asian touch from chef at Swissotel Krasnye Holmy.

52/6 Kosmodamianskaya Nab, 221-5358

M. Paveletskaya

EVERYDAY TERACE BY IMPERIA LOUNGE

Due to its location in the Krasnopresnenskiy Park and sophisticated summer menu becomes a breath of fresh air in the hot Moscow days. Executive Chef Bruno Marino has developed a menu with an emphasis on Mediterranean cuisine. Mantulinskaya Street house 5 bld 7, 790 74 00 www.everyday-terrace.ru

SCANDINÁVIÁ

The summer café is one of Moscow's main afterwork meeting venues. Excellent Scandinavian and continental menu.

19 Tverskaya Ulitsa, 937-5630

M. Pushkinskaya

www.scandinavia.ru

SKY LOUNGE

Dining on the roof of the Russian Academy of Sciences offers guests unparalleled views of the city. 32a Leninsky Prospekt, 915-1042, 938-5775

www.skylounge.ru

VANIL

Hip French and Japanese near the Cathedral of Christ the Savior.

1 Ulitsa Ostozhenka, 202-3341 M. Kropotkinskaya

eng.novikovgroup.ru/restaurants/

VOGUE CAFE

Elegant, trendy partnership with Vogue magazine. 7/9 Ul. Kuznetsky Most, 623-1701

M. Kuznetsky Most

http://eng.novikovgroup.ru/estaurants/

LEBANESE

Quiet and cosy atmosphere. Culinary master pieces of Arabic cuisine. Varied and substantial lunches. Unusual and tasty breakfasts. The mezze is completely addictive!

Spiridonievsky pereulok, 12/9, 737-95-00

www.restoran-shafran.ru

FUSION

A warm, active hang-out for the elite just up from the Kempinski Baltschug Hotel. Partnership with GQ magazine.

5 Ulitsa Baltschug, 956-7775

M. Novokuznetskava

eng.novikovgroup.ru/restaurants/

SOHO ROOMS

Chef Laura Bridge mixes it up at this trendy restaurant-club along the embankment near Novodivichy Monastery.

12 Savinnskaya Nab., 988-7474

M. Sportivnaya

www.sohorooms.com

HEALTHY

JAGGANATH CAFÉ

A simple but excellent vegetarian buffet with an eclectic mix of Asian and other dishes.

11 Kuznetsky Most, 628-3580 M. Kuznetsky Most

www.jagannath.ru **LE PAIN QUOTIDIEN**

Simple and healthy food and bakery at the Moscow extension of an international chain. Delivery.

Multiple locations. 5/6 Kamergerski Pereulok, 649-7050 www.lpa.ru

LATIN AMERICAN

NAVARRO'S BAR & GRILL

El Salvador born chef-owner Yuri Navarro excels at everything from tapas to eclectic Peruvian-Mediterranean fusion, seafood to grilled meat. One of Moscow's few chef-owned restaurants.

23 Shmitovsky Proezd, 259-3791

M. Mezhdunarodnaya

www.navarros.ru

OLD HAVANA An amazing place, with a stunning Brazilian tableside show nightly from Thursday to Saturday. The food is good, but the highlight is the unbelievable three-hour extravaganza with about two dozen dancers and capoiera performers.

28 Ulitsa Talalikhina, 723-1656

M. Proletarskaya www.old-havana.ru

ITALIAN

ILFORNO Restaurant-Pizzeria 25 kinds of great tasty stone oven baked Pizza. Great choice of fresh pasta and risotto. Grilled meat and fish 8/10 Build.1 Neglinnava Ul.

(495) 621-90-80, (495) 621-35-41 www.ilforno.ru

SEMIFREDDO MULINNAZO Sicilian chef Nino Graziano dishes up the best of Sicily and the Mediterranean with the help of his personal grill out front. Huge Italian wine list.

2 Rossolimo Ulitsa, (499) 766-4646 M. Park Kultury

www.semifreddo-restaurant.com

MARIO

Delightful elegance and style with the best-quality Italian dishes. Open noon to last guest.

17 Ulitsa Klimashkina, 253-6505 M. Barrikadnaya

CIPOLLINO

Coffee- and cream-colored stylish Italian cafe a stone's throw from the Cathedral of Christ the Savior. 7 Soimonovsky Proyezd, 695-2936, 695-2950

M. Kropotkinskaya

www.cipollino.ru

JAPANESE

Authentic Japanese kitchen with amazing seafood delicacies like Tasmanian salmon, Madagascar shrimp and others. The range of Japanese drinks is extremely wide. You can taste true Japanese sake - rice-based hot drink - which is served in a special Japanese way.

11, Osennyaya Str., (495) 781-1697

M. Krylatskoye

www.kinkigrill.ru

MEGU

The best Sushi in town is served here according to PASSPORT's publisher John Ortega. Funky Korean décor and ambience.

Lotte Plaza Hotel Novinsky Bulvar 8

M. Smolenskaya +7 495 745 1000

NOBU

The Moscow branch of the legendary Nobu is now open on Bolshaya Dmitrovka. Nobu moves directly to PASSPORT's Moscow Top 10 list. 20 Bolshaya Dimitrovka, 645-3191

M. Okhotny Ryad

www.noburestaurants.ru

ICHIBAN BOSHI

High-quality, affordable Japanese with cool ambience. Several locations. 22 Krasnaya Presnya Ulitsa, (499) 255-0909

M. Krasnopresnenskaya 50 Ulitsa Bolshaya Yakimanka

M. Polyanka

www.ichiban.ru

SEIJI

One of the few Moscow sushi restaurants that actually has a Japanese chef, even a celebrity chef - Seiji Kusano, who also set up the O2 Lounge at the Ritz-Carlton.

5/2 Komsomolsky Prospekt, 246-7624

M. Park Kultury

CAUCASUS

Great Georgian food and entertainment in a stylish mansion near Novodevichy Monastery and the Korean Embassy.

1/7 Spartakovskava Ploshchad, 267-6881, 266-0531

M. Baumanskaya BARASHKA

Our Azerbaijanian friends swear it's the best Azeri restaurant in town.

20/1 Petrovka Ulitsa, 200-4714, M. Kuznetsky Most 21/1 Novy Arbat, M. Arbatskaya

http://eng.novikovgroup.ru/restaurants/

BELOYE SOLNTSE PUSTYNI

Named after White Desert Sun, one of the USSR's favorite films. An eclectic Central Asian menu that includes Azerbaijan and Uzbek cuisine.

29 Ul. Neglinnaya, 625-2596, 200-6836 M. Kuznetsky Most, Teatralnaya

http://eng.novikovgroup.ru/restaurants/

RUSSIAN

A Moscow classic serving upmarket Russian cuisine in a lavish, 19th century setting. Bustling, ground-floor dining hall and a more sophisticated (and pricier) experience upstairs. Reservation

26a Tverskoi Bulvar, 739-0033

M. Pushkinskaya, Tverskaya, Chekhovskaya **GODUNOV**

For real lovers of all things Russian, including traditional Russian dancing, rivers of vodka and plates stacked with food in the Tsar's chambers from the time of Boris Godunov.

5 Teatralnaya Ploshchad, 698-5609

M. Teatralnaya

OBLOMOV

Authentic Russian cuisine in a restored 19th century mansion.

5 Monétchikovskyi Pereulok, 953-6828

M. Dobryninskaya

YOLKI-PALKI

A Russian chain that serves a great selection of typical Russian specialties at modest prices. Many locations.

23 Bolshaya Dmitrovka, 200-0965

M. Okhotny Ryad, Teatralnaya

http://eng.novikovgroup.ru/restaurants/

SEAFOOD

FILIMONOVA & YANKEL

You will find an outlet near many of the Goodman steak houses. Very fresh fish and a straightforward menu. Several locations.

23 Tverskaya Ulitsa, 223-0707

M. Tverskaya, Pushkinskaya

www.fishhouse.ru

LA MAREE

La Maree is Moscow's number one seafood restaurant, built by Tunisian Mehdi Douss, owner of Moscow's leading fresh seafood importer. 28/2 Ulitsa Petrovka, 694-0930 www.la-maree.ru

STEAKS

EL GAUCHO

True Argentine menu. THE place for charcoalgrilled meats and fish.

4 Ul. Sadovaya-Triumfalnaya, 699-7974

M. Mayakovskaya

6/13 Ul. Zatsepsky Val, 953-2876 M. Paveletskaya

3 Bolshoi Kozlovsky Pereulok, 623-1098 M. Krasnive Vorota

www.elgaucho.ru

CHICAGO PRIME

Steakhouse & Bar

Chicago Prime Steakhouse, is the best of Chicago in downtown Moscow. U.S.D.A Prime steaks, a wide choice of seafood, valued priced wines, unique specialty cocktails and stylish interior will take you into an atmosphere of casual elegance and exceptional cuisine. Happy Hours daily from 5 pm till 8 pm Strastnoy Blvd. 8a, 988 17 17 www.chicagoprime.ru

GOODMAN

Moscow's premium steak house chain. Numerous locations.

23 Tverskaya Ulitsa, 775-9888

M. Tverskaya, Pushkinskaya

www.goodman.ru

POLO CLUB

Dining at its finest at the Marriott Aurora. Features American prime beef and steaks.

Ulitsa Petrovka 11/20, 937-1024 M. Kuznetsky Most

TORRO GRILL

The focus is on the best mid-priced meat in Moscow. Wine Bar. Several locations

6 Prospekt Vernadskogo, 775-4503 M. Universitet

www.torroarill.ru

BARS AND CLUBS

CUBA LIBRE BAR

The real island of freedom in suffocating space of a dependent city. In the afternoon, at lunch-time, here it is possible to deal business, but at night you forget about all and enjoy freedom, the real emotions, passionate dances and democratic prices for cocktails.

M. Chistye Prudy; 17 Ulitsa Pokrovka, 624-07-18 M. Kuznetsky most; 4 Kuznetsky most, 692-02-14 www.cubalibrebar.ru

MARTINEZ BAR

Martinez Bar offers its guests a chamber setting and a cozy atmosphere without tobacco smoke and the city hustle. During the day, Martinez Bar is a comfortable location for a meeting (from 12:00 till 17:00 30% discout for the hole menu); during the evenings, the Bar is an ideal place for cocktails.

M. Chistve Prudy: 1 Ulitsa Sretenka, 760 81 92 www.martinezbar.ru

NIGHT FLIGHT

If you don't know about Night Flight, ask somebody! Open 18:00-05:00

M. Tverskaya; 17 Tverskaya Ulitsa, 629-4165 www.nightflight.ru

PAPA'S

Master night spot host Doug Steele is back, at Papa's tucked in the basement below Johnny the Fat Boy Pizzeria. Papa's features live music and lots of sweaty young bodies and sweaty older men. M. Kitai-Gorod; 2 Myasnitskaya Úlitsa, 755-9554

ROCK'N'ROLL

Rock'n'Roll bar offering visitors all popular dishes and drinks, 24 hours a day, 7 days a week. In the afternoons we are a quiet place for business lunch, and at night we are a cheerful and rampant bar where it is possible to take pleasure with freshening cocktails while listening to dj sets.

M. Chistye Prudy; 1 Ulitsa Sretenka, 233 76 97 www.rocknrollbar.ru

SECRET BAR

In July Secret bar has slightly opened the doors and has ceased to be one of the most secret places of Moscow.

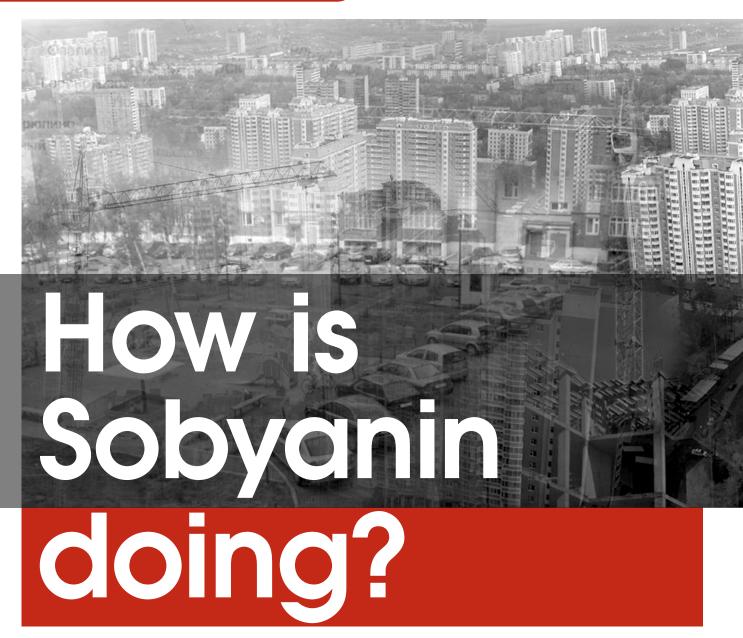
. Cosy atmosphere of house parties, tasty meal, good drinks and the pleasant prices remain at former level, and here possibility to get to a bar is received by all interesting inhabitants of capital. 6 bld. 3 Pereulok Stoleshnokov, 921-07-50

M. Teatralnava

www.secretbar.ru

NOTE: For restaurants with multiple locations the most popular location is given - see the website for others. All phone numbers have city code 495 unless otherwise indicated. Reservations suggested for most restaurants.





Vladimir Kozlov

For the year that has passed since the replacement of Moscow's Mayor Yuri Luzhkov with Sergei Sobyanin, the capital's construction and development industry has been up in the air, as City Hall began a major revision of previously concluded investment contracts. Meanwhile, there are clear signs of re-division of control in the sector, with new players coming to the limelight and previous champions fading into obscurity.

Investment contracts are offered by City Hall for construction and development projects funded from the city's budget and are considered quite lucrative for developers.

Investors in construction and development projects in the capital are attracted, depending on the results of tenders—a procedure that under Luzhkov reportedly lacked transparency and fairness. When Sobyanin took office last autumn, he promised that tenders would now be "maximally transparent".

"One can confidently say that major changes have taken place—both in the methods of operation and in the market itself," Georgy Dzagurov, general director of Penny Lane Realty, told PASSPORT. "I believe that the city's authorities are looking for reasonable ways to execute tasks set forward for them and are changing the policy of implementing investment contracts."

According to Dzagurov, new people in City Hall, who are free of any previous obligations, have been terminating investment contracts that were signed in the past and not executed on time

Although not everyone is satisfied with the new rules, there are indications that the process of naming developers for projects commissioned by City Hall is becoming more transparent.

"The process of obtaining approvals has become more predictable," said Dzagurov. "While earlier, it was necessary to turn to a dozen different agencies, and the process could be stalled at any stage, today, even though fees for approval documents have become higher—it is easier to predict the outcome."

"It is also possible to speak about more transparency in distributing projects between developers," Dzagurov observed, adding that complete clarity could be ensured only in a situation when, as previously promised by Moscow's authorities, the city would first prepare sites for projects and only then announce tenders.

Winners and losers

Predictably, with a major redistribution of power in the construction and development segment, there are winners and there are losers.

Real Estate



"Those who counted on their personal connection in the mayor's office are finding themselves in a difficult position," Dzagurov said, adding that, on the other hand, large developers supported by federal agencies and banks are in an advantageous position.

One of the biggest contractors in terms of value is now a company called Glavmosstroy, which has recently secured contracts worth 13.4 billion roubles from City Hall contracts, having won six tenders out of 10, in which it took part. Back in 2010, the construction company participated in four major tenders but didn't win any.

"There are projects that not every developer would be interested in because there is a probability of losses or no profits," Glavmosstroy's spokesman commented. "If a company hasn't properly worked out costs with all subcontractors, it

"Those who counted on their personal connection in the mayor's office are finding themselves in a difficult position," Dzagurov said, adding that, on the other hand, large developers supported by federal agencies and banks are in an advantageous position.



Real Estate

cannot deal with costs. And we can calculate that well, so we can enter projects."

Another major newcomer is NPO Kosmos, which has been recently hired to construct a 14.6 billion rouble road junction at Leningradskoye Shosse and Volokolamskoye Shosse.

Meanwhile, a company called ARKS, which was one of the champions under Luzhkov, has been recently able to win only one substantial tender from City Hall, earning a 380 million rouble contract to build an underway passage below Komsomolsky Prospekt.

And two other major players in the city's construction and development market under the previous mayor, Dial-Progress and Moscow Engineering Company (which is, incidentally, owned by Inteko, the company of Luzhkov's wife Yelena Baturina), have not even taken part in recent tenders held by City Hall.

New rules

There have been some major changes to project financing under new city authorities. Under the previous system, City Hall would make a 30% advance payment to the developer, while the rest would be paid out on a monthly basis. Today, the developer is paid only when a specific stage of work has been actually implemented.

"When construction begins, the developer needs to invest in preparatory works, and there is no completed stage that would entitle the developer to get cash from the mayor's office," an anonymous market player was quoted as saying by the business daily Vedomosti. "So, [the developer] has to come up with the money or take a loan, which means considerable extra costs."

However, large players in the sector insisted that was not a big problem for them. "A large and strong company with substantial working capital can enter a project without an advance payment and without using any credit resources, either," commented a spokesman for Glavmosstroy.

Industry insiders have always complained that electronic tenders, to which City Hall switched last summer, could lead to a situation when the final value of a contract could be 40% to 45% smaller than the initial figure. Again, other players in the sector say that the only newcomer could agree to such a drastic decrease, while normally, a figure wouldn't be higher than 10% or 15%, which is still enough for profitable operation.

Still, sometimes a developer could offer financial conditions that could not possibly be observed, which would result in a situation when the implementation of a project could drag out for years.



What does the future hold?

Although the growth in Moscow's construction and development market has apparently slowed down due to the revision of previous investment contracts by the new team at City Hall, the situation is likely to improve in the short term, experts say.

"A lack of massive investment projects does not mean that nothing is actually being built in Moscow," Oleg Repchenko, head of the analytical centre, Indicators of the Property Market, was quoted as saying by finam.info. "In Moscow's older neighborhoods, the density of residential buildings is way beyond an acceptable level anyway, so building millions of square metres of residential property is just impossible."

He added that since 2006, when such massive residential

In 2012, 42,000 sq. metres of new apartments is expected to be erected in the central neighborhood to replace old five-story buildings, which is going to be a big step forward from this year's figure of 8,800 sq metres. Meanwhile, experts predict that between two million and three million square metres of new residential construction is to be erected every year over the next few years, unless a double-dip recession arrives.

construction projects as Kurkino, Lyublino, Butovo and Maryino were completed, there has been no comparable project in the market.

"Even if the city government eventually cancels one half of the existing investment contracts, the implementation of the remaining half will begin, so the situation is set to be improve in any case," Repchenko said, adding that even steps like a ban on new construction in the city centre should not have a major negative impact on the overall market, as many old buildings in the heart of the city will have to be reconstructed.

Other experts are hesitant when giving predictions about what impact the current situation could have on the capital's property market.

One trend that has become apparent, according to Dzagurov, is the consolidation of developers. "However, the property market does not react [to the changes] fast, and today we are mostly experiencing the ramifications of a massive suspension of projects due to the [recent economic] crisis and a drastic change in [city authorities'] policies as a result of the arrival of the new mayor's team.

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Family Pages

Compiled by Ross Hunter

Winter Quiz Training

Christmas and New Year are the times for family quizzes. This month, and next, two chances to limber up and get some practice in! Five categories, 50 questions total. Answers next month, or sooner on-line.



- A1 Who wrote The Chronicles of Narnia?
- A2 How many letters are in the English and Russian alphabets?
- A3 Who wrote the 1812 overture?
- A4 Ringo was a Beatle. Name the other three.
- A5 Most keyboards start QWERTY. Finish the row.
- A6 In the USA, what are the Democrats' and Republicans' symbols?
- A7 What is the 2nd book of *The Lord of The Rings* called?
- A8 Which is the odd one out: Bach, Mozart, Stravinsky, Beethoven?
- A9 Who wrote the horror story Frankenstein?
- A10 Picture: name the famous 20th century Moscow writer →



Sport

- B1 How many players are in a rugby team?
- B2 What is the world record for the 100m?
- B3 If men do a decathlon (10 events), what do women do?
- B4 Which event was not in the ancient Olympics: javelin, discus, shot?
- B5 To win a top marathon, you must run how far, how fast?
- B6 Where were the original Olympic Games always held?
- B7 How long is a football pitch?
- B8 What events do you do in a triathlon?
- B9 What is the middle of a dartboard called?
- B10 Picture: name the famous sports stadium. →



(History & People)

- C1 Who was the first man in space, and when?
- C2 In which year did Columbus reach America?
- C3 In which city did Michelangelo paint the ceiling?
- C4 In which year was the French Revolution?
- C5 Name any 2 of Tsar Nicholas' 5 children.
- C6 In which year was the United Nations founded?
- C7 In which war was the submarine first used?
- C8 When was the last year which looks the same upside down?
- C9 God gave how many Commandments to whom?
- C10 Picture: who is the famous Russian philosopher & writer? →



D What & where

Geography & Nature

- D1 Polar bears eat anything, except penguins. Why not?
- D2 Where is the world's highest waterfall?
- D3 What is the capital city of Australia?
- D4 The UK has 4 countries: England, Scotland N Ireland and where?
- D5 Into which seas do the Rhine and the Rhone rivers flow?
- D6 How high is Mount Everest?
- D7 Where is the coldest place on Earth?
- D8 Which 2 lakes have 1/5th of the world's fresh water, each?
- D9 Give one of the 2 older names for Istanbul, in Turkey?
- D10 Picture: name the famous bridge, and its home city. →



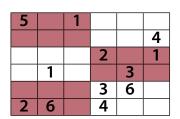
Another Moscow word search

| Т | ı | Р | Q | U | Е | U | E | L |
|---|---|---|---|---|---|---|---|---|
| ٧ | L | С | U | L | Т | U | R | Ε |
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| K | 0 | D | L | Α | D | Α | Α | S |
| Α | S | 0 | U | N | D | Α | R | K |
| Υ | K | Z | K | G | 0 | R | K | Υ |
| Α | Α | Н | Р | 0 | N | D | М | Е |

29 Moscow words: places, people, Russian words, images and abbreviations. Hint: every square is used.

Mini Sudoku

Usual rules: 1-6 in each row, column & box.

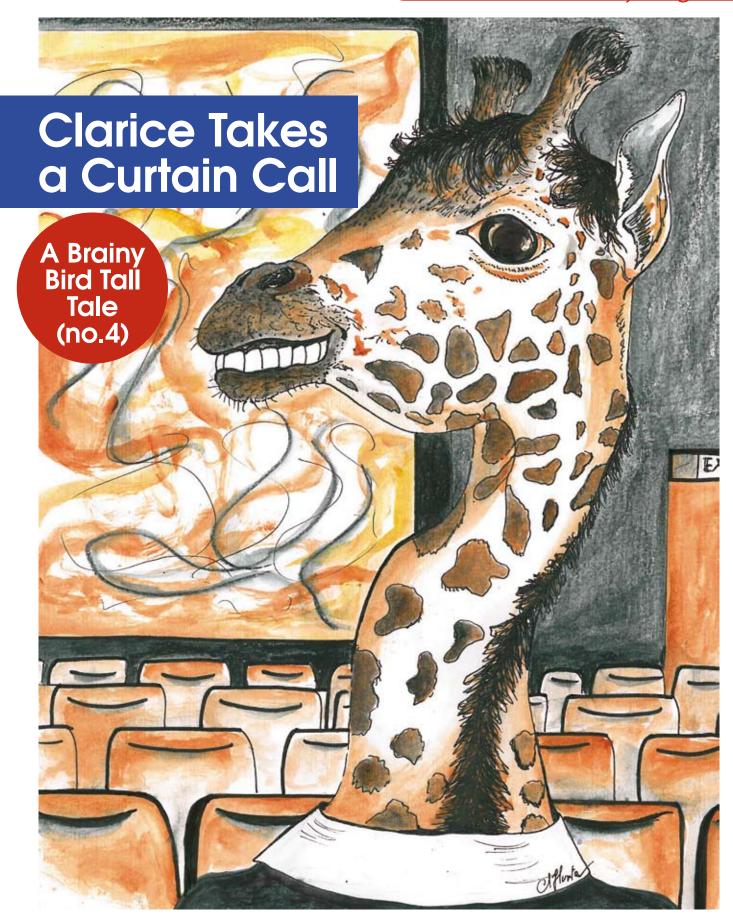


Micro Sudoku:

A starter game, 1-4, for young puzzlers.



Full solutions for this month & October, at the English International School: www.englishedmoscow.com



Text by Ross Hunter, illustrated by Catherine Hunter

"Gals, this European weather is getting to me," boomed Clarice down the phone line to her friends. At the other end, Clara, Celia and cousin Emma Emu were sure they could hear through the window as well, despite being half a town away. "The weather is grotty, 'bleagh', and 'dreech', as they say in Scotland, meaning it was foggy and raining. What are we going to do? Even our gorgeous ostrich feathers won't outshine a peacock in this greyness."

The gals put their thinking caps on. Emma put a woolly cap on. "How about the cinema?" Said Celia, the sensible one, at last. "A bit of escapism is good for the soul."

Family Pages

There was to be a lot more escapism, but the Gals did not know that yet.

"Capital plan, Celia," boomed the phone in response. What's on?"

"Who cares!" squawked Clara and Emma together, "anything to be in the warm and dry!" Only Cyd, Emma Emu's python friend disagreed. She rather likes nice damp spots, good for catching, snatching and snaffling newts and toads, but kept quiet.

A swift, long-legged canter later, our five friends are filing into the cinema. They sat a few rows from the front, and dead central, so the shadows of their tall heads could be seen on screen. Ostriches' ears are small enough not to be worried by angry mutterings from the unsighted behind. They were warm, comfy and ready to relax. But just as the lush crimson velvet curtains were parting, so the birds' view was parted by two giraffes sitting in front of them. Can you think of an animal with a higher held head than an ostrich, except a giraffe? I



can't. With his Barnet Fair on top (Cockerel rhyming slang, as you know) that's a lot of silver screen screened off.

Clarice was distinctly dischuffed. She harrumphed loudly, to no effect. Two

futile coughs later, and she opts to tap the offending African on his really rather fine and well tanned shoulder blade. Ready for a row, Clarice was stunned when the elegant Savanna-dweller







turned round and flashed a wide, wide smile with his white, white Hampstead Heath. (More Cockerel, as you know).

"May I help you?" his voice rolled deeply and smoothly across to Clarice's ears, which had already flushed deeper crimson than the curtain. "I am so sorry if we are in the way, these are the only seats left. May we treat you to a slap-up salad afterwards?" His smile seemed, to Clarice, to light the whole hall. "Meet my brother Asser, and I am Gerald," crooned he, every inch, or rather, metre, the gentleman giraffe.

"Err, no, excuse me, nothing at all," stammered a staggered Savanna-bred Clarice, who was suddenly as well-chuffed as she had been dis- a moment ago. "I am happy to stare at your shoulders all afternoon." She was not even sure if she had said that or thought it.

The film flashed by, as Clarice's beady eyes stayed staring at Gerald's elegant extended neck. If you want to know what the film was like, ask Emma or Cyd, as none of the giraffe-obsessed ostriches can remember a single scene. Equally, the impromptu dining party passed in a trance. Clarice could not swallow a lettuce leaf. Or speak – now that IS news!

Our new best friends were instantly an item. Soon, their high altitude silhouettes were to be seen all over town, enjoying the sights and views, as they blocked everyone else's. But the weather got no better. The loving couple pined more and more for the golden dry grasses of home and the beat of the heat of Africa. In due course, Gerald and Clarice plotted their wedding and permanent honeymoon under the southern sun. After a great hen party, Celia and Clara were bridesmaids of course, and cousin Emma was Bird of honour, and Cyd added a living touch to Clarice's posey in church. It was a lovely wedding, though oddly most guests commented that the roof of the church seemed lower than they remembered. How they squeezed into the less than generous tin tube of the plane I will leave you to imagine.

As we wave farewell to the feathered friends, I hope you have enjoyed their stories. If you are ever out on the wide, dry, grassy plains of Africa and see them (I am sure you will hear Clarice from a generous distance), do pass on greetings from our northern home. I am sure you agree, town is a bit quieter and less exciting without them. Do you have any interesting animal friends? I would love to read their stories! Over to you...

Up and Down the Greasy Pole

Ian Mitchell

Anyone who wants to know what really happened between Tony Blair and Gordon Brown, and wishes to understand the narcissistic psychosis that is at the centre of modern democratic politics should read this fascinating, sometimes horrifying, but rarely dull book. Peter Mandelson was one of the greatest political geniuses of recent British history and he has written an extremely candid book about his twenty-five years at the heart of the New Labour project, from the time he first met Gordon Brown and Tony Blair up to the Party's defeat in last year's General Election.

This book will annoy a good many of the people featured in it, and it will enrage most of the others. But that is not to say that Mandelson is unfair. He always gives credit where he thinks it due, even to David Cameron and Nick Clegg, But Gordon Brown, whom he worked with right to the last day on which a New Labour Prime Minister sat in 10 Downing Street, and for whom he professes almost unbounded admiration as a political figure, comes across as a vicious, unscrupulous, prejudiced, bullying, insensitive, hypersensitive, driven, sulky, inflexible, deceitful, arrogant, devious, back-stabbing plotter with tunnel vision and a bolt-on smile. who was so out of touch with presentation issues that he could never tie his tie so that the knot was correctly aligned. Even if Peter-it's all first names in this book-personally centred the errant knot, it would be out of alignment by the time Gordon got in front of Jeremy on Newsnight, Andrew on the BBC Sunday Morning show or John or James on the Today programme.

Gordon's problem was that he was an atavistic class-warrior to the very end, even when totally exhausted by the effort of cobbling together a coalition with the LibDem after Labour had lost the election.

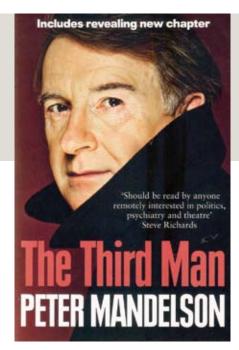
"He was starting to feel it looked bad for him to be holed up in Downing Street over the weekend," Mandelson writes, "and that it would be better for him to take his family to Scotland and return to London on Sunday morning [to continue negotiating]. I said that sounded like an excellent idea, but added, 'Why don't you go to Chequers? It's nearer.' Gordon seemed about to jump out of his chair at the mere mention of Chequers. 'God, no,' he said. 'It's a country house!"

On that fateful Sunday, one of the few flashes of wit in this weirdly po-faced book comes from Tony. Peter had been texting him that morning about the near impossibility of Gordon's doing a deal with Nick, of the LIbDems, and reporting on soundings he, Peter, had taken about the negotiations with senior Labour figures like Sue, Harriet, Ed, David, Ed and Alistair. "When I texted Tony to say that I was now free to talk [on the phone], and that 'Gordon is going to church,' Tony texted back, 'He'll find that a tougher negotiation.""

The book is full of fascinating, soapopera-like detail about the intimate contours of a life spent fighting to get to what Benjamin Disraeli called "the top of the greasy pole". Marshall McLuhan famously said that in the global village the medium is the message. Mandelson, with his unbelievably acute feel for what was required to get Tony and Gordon up that pole, paints a picture of New Labour as being more medium than message. The book is mainly about personalities, which is why it is so unputdownable.

The full story is given of Mandelson's controversial stay aboard Oleg Deripaska's yacht. He was European Trade Commissioner at the time and the EU duties on aluminium, Deripaska's major interest, were being reduced. Mandelson claims that was purely co-incidental, since he was only using Deripaska's boat as a crash pad while on Corfu to attend Elizabeth Murdoch's fortieth birthday party. It was being held at the home of Jacob and Serena Rothschild, and there was not enough room in the house for all the quests.

"Despite later media suggestion that I had gone to Corfu to join Oleg for a



The Third Man
Peter Mandelson
Harper Press £8.99

holiday on his yacht," Mandelson writes, "I hardly saw him, except for an amusing episode in which, during an early-morning wander around his boat, I stumbled across a yoga session he and his wife were taking, and I happily joined in under the instruction of his teacher."

Later, he meets "the charming and intelligent pro-market" German Gref, who was leading the Russian team negotiating entry to the World Trade Organisation. "We shared many hours over long Russian dinners, even resorting to a Russian banya on one occasion with our respective teams in an effort to find agreement. But whithout his President's support, Gref could not compromise enough and Vladimir Putin never felt that Russia was receiving a fair enough deal for him to accept."

Peter Mandelson was known in the British press as The Prince of Darkness because of his skill at the black arts of political message manipulation. I know many people who are reduced to spluttering rage when his name is mentioned. But it is a testament to his skills as a communicator that the reader ends up agreeing with Matthew Parris's comment about this book. Parris was no friend of Mandelson since it was he who. despite being an openly gay Tory MP, "outed" Mandelson on BBC television in 1998. So it is particularly relevant that Parris said this is "a revealing and important book by a more winning individual that I had expected to encounter."

Sir Paul McCartney in Moscow



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