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Putin's expropriation is actually good

- Moral Rating Agency says expropriations of Western companies will actually help the West by damaging the Russian economy.
- It will bring Russia closer to a 'desert island economy'.
- The forced separation of democratic and undemocratic economies is critical for democracy to survive and prevail in the world.
- MRA adds that the expropriated companies deserve their comeuppance.

For Immediate Release, 20 July 2023: In response to Putin's presidential decree expropriating the Russian assets of French company Danone and Danish company Carlsberg's Baltika subsidiary, the Moral Rating Agency issued a statement about the consequences and whether it is not, in fact, a positive development.

Putin is shooting himself in the foot

MRA founder Mark Dixon said:

"Putin's behaviour is reprehensible but he is unwittingly actually harming Russia. He has bitten the hand that feeds him.

The more links that are cut between Russia and the West, the more the Russian economy will suffer. Russia will find it more difficult to finance its aggression and Russian people will become more disillusioned with the Russian regime as they become poorer.

It doesn't matter whether the Russian economy is disconnected by Western government sanctions, Western companies' ethical voluntary exits, or by Putin expropriating the assets of

unethical companies. They all lead to Russia becoming disconnected from the global economy,”

Danone and Carlsberg

The MRA has little compassion for Danone and Carlsberg. Mark Dixon said:

“The expropriated companies deserve no sympathy. Danone and Carlsberg continued to profit from Russia after the invasion of Ukraine and have therefore also supported the Russian economy which pays for the invasion. They have resisted our pressures to leave Russia and have ironically now been forced out by the very dictator they have been propping up.

The fact that these companies have been punished by a global bad actor doesn't make them innocent victims. They fully deserve their comeuppance.”

Impact on other companies still in Russia

“The Western companies that are still in Russia are in hot water. The risk of expropriation has risen. It is a case of ‘once bitten, twice shy’ and they will find it difficult to sell their businesses. To reflect the risk of further expropriation announcements, they should write off their assets and expect their share prices to fall.

The financial value of Russian assets has now moved closer to the negative moral value of these assets. ”

Expropriation will help make Russia a ‘desert island economy’

“Russia should have been unplugged economically when it invaded Ukraine on 24 February 2022. Western governments failed to implement widespread sanctions and not enough Western companies have since voluntarily left Russia.

Anything Putin does to disconnect Russia from Western investment and markets actually helps us finish the job we have failed to do fully ourselves.

In addition to actual expropriations, Western companies will assess the risk of being expropriated on top of the embarrassment of being seen to profit from Russia. Russia is steadily moving in the direction of becoming a ‘desert island economy’.

If we can make Russia a ‘desert island economy’ it will be destroyed because Russia is more dependent on exports than any other major nation as a percentage of its GNP, producing

vastly more oil, gas and minerals more than its own needs. This dependence on the West is Russia's 'Achilles' heel'. If unplugged, it will not be able to survive as a stand-alone economy."

Why economic separation is good

"The West should not pull its punches but do everything to weaken the Russian economy. We are already fighting a proxy war with Russia militarily and are fighting a direct war for values. By any measure, Putin is an enemy of every democratic nation and person, and its economy must be viewed as an 'enemy economy'."

Mark Dixon explained why he believes the West should encourage the nascent trend towards two economic blocs in the world:

"Russia will become more and more dependent on China which is a much less rich market than OECD nations. If China supports Russia with excess trade to fill the gap, it will be doing something that hasn't been economically viable today, just as Eastern bloc nations were forced to trade with each other before the break-up of the USSR. This inferior economic opportunity will be resolved either by Russia taking the hit on pricing or China having to subsidise Russia, which will only serve to weaken one or both of these undemocratic nations."

The end game

"Unplugging Russia is the first step to separate the world into two economic blocs, a 'democratic market' and an 'undemocratic market'. Autocratic and totalitarian countries like Russia and China will cooperate with each other due to lack of alternatives and become poorer and less powerful together. The 'democratic market' will be many times larger and will make democratic nations much richer than countries run by dictators.

We need to shift the wealth gap from dividing people and from dividing developed and developing economies, and intentionally apply it to democratic and undemocratic nations. If an undemocratic nation wants to escape poverty, it will need to become democratic. Its people will be motivated to remove their dictator so they can be welcomed into the 'democratic market'. We need to create a free market in which economic survival is the reward for democratic behaviour and economic failure is the consequence of undemocratic or totalitarian behaviour."

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The Moral Rating Agency, the corporate watchdog, was set up to get Russia out of Ukraine and use this momentum to help pro-democracy Russians get Putin and his regime out of Russia. The MRA rates global companies on how effectively they are pulling out of Russia on its site moralratingagency.org.

For press inquiries, please contact press@MoralRatingAgency.org. Or, for comment/interview, we can be reached on one of these numbers:

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About the [Moral Rating Agency](#)

The Moral Rating Agency was set up to get Russia out of Ukraine. It later plans to cover corporate unethical actions in other countries and on other issues.

In addition to exposing, and crediting, corporations through moral ratings, the MRA maintains an [Indelible Ledger](#) of a company's actions so any later corrective actions do not wipe the slate clean. Time is of the essence, so the rating system includes a disincentive for delay through exposing and tracking what preceded a later corrective action.

Unlike ESG (Environmental, Social and Governance) rating agencies, which have a commercial responsibility to their institutional investor clients to cover the range of issues these clients wish, the Moral Rating Agency is zeroing in on a single corporate moral issue, in this case the Russia-Ukraine war.

The MRA was founded and is led by Mark Dixon, who runs the mergers & acquisitions consultancy Thinking Linking in the City of London and New York. He was one of the co-founders of the online financial commentator BreakingViews.com, which is today part of Thomson Reuters. Mark has been opposed to autocratic regimes, particularly to the Chinese government and to Putin's transformation of Russia from a nascent democracy into a fully-throttled autocracy. He has a personal connection with Ukraine because he has owned an apartment in the city of Lviv since 2010. He has also lived in China.

The MRA has a paid staff of moral raters, verifiers, and fact-checkers who operate according to its [Rating Methodology](#). It also has an on-site team involved in statistics, media relations, site production and publishing.

The MRA has no customers, external commercial relationships, or conflicts of any kind. It will rate and publish so that consumers, media and governments can judge companies on a single topic on a fair basis. This objectivity on individual companies and their relative scores is maintained despite the campaigning nature of the agency, as explained in [Rating Philosophy](#).