

'Russian Zuckerberg' quits homeland with parting shot

April 27 2014, by Stuart Williams

Imagine if Facebook boss Mark Zuckerberg suddenly announced he was resigning, only to reveal days later it was only a joke. And then was forced out a month later after all.

And imagine if Zuckerberg claimed the White House took control of the social network before fleeing his homeland, saying it was impossible to do business there and he had no plan to ever return.

It seems incredible but this is exactly the surreal scenario played out at Russia's biggest social network VKontakte (VK) which far outstrips Facebook in terms of popularity and influence in the former Soviet Union, with 60 million users in Russia and 100 million in the ex-USSR.

The extraordinary saga at VK would make the 2010 hit movie about Zuckerberg and Facebook, "The Social Network," look almost tame by comparison.

VK was founded in 2006 by philosophy student Pavel Durov, now 29, shortly after he graduated from Saint Petersburg University and his meteoric rise almost mirrored that of Zuckerberg, also 29.

By early 2007, it already had one million users and the network and Durov became symbols of the explosive changes brought by the late, but swift, spread of Internet use in Russia.

VK became the platform in Russia for networking with [friends](#),

following celebrities or even organising political protests such as the rallies that rocked Russia in 2011-2012 and then the protests in Ukraine in the last year.

Durov himself attained almost mystical status, hardly ever giving interviews or appearing in public.

In a stunt typical of his unpredictable behaviour, in 2012 he showered high-denomination notes on pedestrians from VK's headquarters on top of a historic bookstore on Saint Petersburg's Nevsky Prospekt.

But while VK remains as popular as ever, the last year has been more horror story than fairy tale for the company.

'So long, thanks for the fish'

Trouble had been brewing for some time but the crisis broke into the open in April 2013 when investment vehicle United Capital Partners (UCP) acquired a 48-percent stake in the company from two of Durov's former partners, Vyacheslav Mirilashvili and Lev Leviev.

Durov's supporters have long alleged there to be a Kremlin hand behind UCP, sensing the influence of President Vladimir Putin's close ally and chief executive of the Rosneft oil giant Igor Sechin.

But UCP has rubbished such suggestions of links to Sechin and the Kremlin. "UCP is a private investment partnership controlled by Ilya Shcherbovich, a well-known Russian investment professional," it said in a statement.

UCP's patience snapped when Durov developed the fast growing messaging service Telegram—which its makers insist is far superior and more secure than WhatsApp, which was bought by Facebook for \$19

billion.

UCP accused Durov of using VK resources to develop Telegram—which he denied—and called for it to be integrated into VK, an issue still the subject of a court case.

On April 1, Durov announced on his VK page that he was resigning as he no longer had creative freedom at the company.

After his statement, he posted a picture of dolphins and the slogan "So Long and Thanks for All the Fish", a title in the famous "Hitchhiker's Guide to the Galaxy" science fiction series.

An April's Fool joke? Or a serious business announcement? In the end, it turned out to be both.

Two days later, Durov rescinded the statement, saying he was just checking how VK would look without him and that he remained the company's CEO.

But the shareholders had the last laugh. This week Durov was ousted as chief executive on the technicality that the required one month notice period had passed since his resignation statement.

Durov this week announced he had left Russia and is working on a new mobile social network platform with a team in central Europe.

"Unfortunately, the country is incompatible with Internet business at the moment," he told US technology news website Techcrunch, adding he had no plans to go back to Russia.

Ironically, Durov had in March listed seven reasons to live in Russia on his VK page, citing factors like beautiful people, low taxes and potential

of development.

'I sacrificed a lot'

Durov claims to be completely apolitical and working only for the free exchange of information. It was in this spirit that he had offered a job to fugitive US [intelligence](#) leaker Edward Snowden who received asylum in Russia last year.

But he has now styled himself as a protector of information against the Kremlin, refusing to shut down the pages of Russian anti-corruption blogger and opposition leader Alexei Navalny and hand over information about Ukrainian activists.

He said meanwhile he had sold his 12-percent stake in VK at the end of last year, in yet another mercurial move that bewildered observers at the time, to be less vulnerable to pressure.

Durov sold his stake to telecoms executive Ivan Tavrin who then sold it on to existing VK shareholder, Russian email provider Mail.ru.

Mail.ru is controlled by the country's richest man Alisher Usmanov who keeps a low profile but has never stepped out of line with the Kremlin. Mail.ru now owns 51.99 percent of shares in VK.

In his parting message on his VK page, Durov said he believed that the social network was now under the "full control" of Usmanov and Sechin, for the first time accusing one of Putin's most loyal lieutenants of meddling in VK.

"I had to sacrifice a lot, including my stake in VK. But the protection of personal data of people is worth this and much more," Durov wrote in one of his last posts.

UCP sees things very differently, saying Durov presents "himself as a political dissident in order to divert attention from his serious legal challenges" surrounding the Telegram case.

Durov said in his latest comment that he is searching for a permanent base for his mobile social network project in "a country that will allow us to develop our projects with privacy and freedom of speech in mind".

Symbolically, he posted the statement not on VK, but Facebook.

© 2014 AFP

Citation: 'Russian Zuckerberg' quits homeland with parting shot (2014, April 27) retrieved 27 April 2024 from <https://phys.org/news/2014-04-russian-zuckerberg-homeland-shot.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.