

# Modernization Too Slow for Medvedev

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President Dmitry Medvedev preparing to get into a Porsche Cayenne car at the Skolkovo innovation center outside Moscow on Tuesday. The president provided a symbolic start to the construction of the in **Sergei Karpukhin**

President Dmitry Medvedev said Tuesday that a number of problems are hampering efforts to modernize the economy, including organization and financing.

“We’ve been trying this year to develop our technologies, to lay a foundation of the new economy. It's probably not us who judge whether we've succeeded. We can't be satisfied for sure with many things that have been going on,” Medvedev said at a meeting of his modernization commission in Skolkovo.

“I suppose there are problems in organizing the work, in financing, but in general ... we all tried our best,” Medvedev said.

Representatives of innovation companies taking part in the meeting called for improving intellectual property rights legislation, saying they don't feel that their projects are properly

protected.

Industry players said seed financing for startups needs to be made more simple and more widely available. They complained of obstacles to state financing, which is mired in red tape.

Medvedev said, however, that businesses involved in innovation shouldn't rely only on government financing and that it is the task for entrepreneurs to finance innovation.

He said government funds should be used only at the beginning to create infrastructure and systems, but the end result should be private companies independent of the state.

If innovation is done only using state funds, "it will be a vicious circle," Medvedev said.

"We'll never create normal innovation business," he said, adding that the government would, however, continue financing the most important research projects.

The president also said the state should react adequately to possible failures in the risk-laden venture business, which currently faces a merciless environment.

Any negative result — the failure to reach some goal — is taken not only as an individual defeat ... but often as a breach of state discipline resulting in different kinds of consequences, including legal ones, Medvedev said, adding that the state should demonstrate a more flexible approach to venture startups.

He also called for creating comfortable working conditions in the country to prevent brain drain.

The president said he was following bloggers' reactions to the issues discussed at the commission's meeting.

He didn't rule out that branches of the Skolkovo innovation center might be created in a number of regions, after launching the main hub outside Moscow.

"It's all possible. We just need to launch the main site first," he said.

Medvedev gave a symbolic start to the Skolkovo Foundation's efforts on Tuesday by using surveyor's tools to mark the coordinates of the point where construction of laboratories and other infrastructure will begin.

"I hope ... there will be a palace here soon," the president said.

During an innovation forum in Skolkovo on Tuesday a total of 16 projects were allocated to be the first ventures of the technology center.

The lists includes a joint project with the Pushchino innovation center, work with the International Center of Quantum Optics and Technologies, and ABBYY corporation's project to develop automatic translation systems.

Billionaire Viktor Vekselberg, who oversees the technology hub, said success of the first projects would determine that of the whole center.

He also said the foundation's investment council would decide on the amount of grants for the participants in the near future.

To the surprise of many, red-haired ex-spy Anna Chapman, who started working as an aide to the president of FundServiceBank in October, attended the meeting of the modernization commission.

Chapman declined to comment on the purpose of her visit, but her spokesman said Chapman had a number of her own projects, which she planned to discuss in Skolkovo.

Spokesman for Moscow-based FundServiceBank Grigory Belkin said Chapman was developing at least two innovative projects supported by the bank.

The first project is creating a virtual studio to produce content in 3-D format for television and the animation industry.

The second one involves technologies to build cheaper and warmer housing, Belkin told The Moscow Times.

He also said Chapman was "a very good and conscientious employee."

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