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State Companies End Skoltech Financing

By Guennadi Moukine

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Critics of the financing mechanism said they regarded as a tax and not as fair means of supporting the school. **Guennadi Moukine**

President Vladimir Putin relieved state companies from making compulsory contributions to the Skolkovo University of Science and Technology, or Skoltech, endowment fund, established last year by his predecessor Dmitry Medvedev, Vedomosti reported Monday.

Putin annulled Medvedev's directive requiring state companies to contribute one percent of their innovation development budget or 0.5 to 3 percent of annual net profit to the endowment fund, created to support scientific research in the university. It was estimated that in the first three years, the fund would accumulate 30 billion rubles ($913 million).

Putin's spokesman Dmitry Peskov said, however, that state companies are welcome to finance the university voluntarily. Medvedev's spokeswoman, Natalya Timakova declined to comment.

A government source told Vedomosti that last year state companies only contributed 4 billion

rubles ($122 million) and that there were no contributions in 2013.

Some state companies told Putin that they did not see any benefit in contributing to the fund because the program did not give them any voting rights or even a possibility to order research or specialist training. "This is why everybody decided to develop innovation privately. Payments to Skoltech became more like tax, rather than investment," a manager at an unnamed state company said.

Alexei Sitnikov, Skoltech's vice president for institutional and resource development, told The Moscow Times that he was not aware of any complaints received from the fund donors.

"It is difficult to respond to that statement because we don't know which company made it," Sitnikov said. "I don't know of anyone who donated and was not able to order research or training," he added.

Sitnikov said that so far the feedback from the industry was very positive.

Another state official told Vedomosti that Skoltech financing was on hold because the project was not as effective as planned.

"It's a little too soon to say whether it's effective or not," Sitnikov said in response to the newspaper report. "The institute is a little more than one year old. Let us create programs, employ professors and attract students, and then we can talk about whether it is effective or not."

Igor Yurgens, head of the liberal Institute for Contemporary Development think tank, described the developments as another way for Putin to distance himself from Skolkovo.

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