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Russian Federation: Rosnano is the first state corporation to be transformed into a joint stock company

On 11 March, the firm of Rosnano (which is responsible for the development of the Russian nanotechnology market) became the first Russian state-owned corporation (*goskorporatsiya*) to be transformed into a joint stock company (albeit 100% state-owned). This change in the form of ownership is likely to affect the transparency of this structure's operation positively; however, it does not change its dependence on political decision-making. Work on reorganising these state-owned corporations has been ongoing since 2009, and in the coming months, other structures of this type will also be transformed.

The hybrid legal structures (which are a 'cross' between public limited liability companies and federal state-owned companies), which *goskorporatsii* are (8 of them have been created) were formed at the end of Vladimir Putin's presidency. These structures were legally granted control over large state-owned properties, as well as broad autonomy with limited control by state institutions. Their task was to support the process of modernising the Russian economy.

These state-owned corporations have aroused much controversy in Russia; they have been accused of being overly politicised, serving the ruling elite's grabs for property, or restricting competition on the market. The main critics of these structures were President Dmitri Medvedev (who in a 2009 speech called for them to be transformed or liquidated) and the head of Rosnano Anatoly Chubais. The decisive factor in reforming the state-owned corporations, however, was their inefficiency (such as high operating costs, cases of embezzlement or poor results from restructuring the enterprises). The reorganisation of the *goskorporatsii* (Rosavtodor and Vnieshekonombank are next in line) is in fact a compromise; the government elite will still control these structures and will direct their activities in the future. <Iwo>