



RUSSIAN FEDERATION



GUNNAR MYRDAL LECTURE

BY

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**“FUTURE OF EUROPEAN COOPERATION –
A VIEW FROM MOSCOW”**

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Dear Ladies and Gentlemen,

I thank the Executive Secretary of the ECE Mr. Marek Belka for having invited me to deliver the Myrdal Lecture. These lectures have become an important tradition and are perceived as an integral part of political landscape of Geneva – the city with the longest history of hosting international organizations that has become if I may say so a “trend-setter” in establishing the standards of international cooperation.

Looking at the international landscape of Geneva it is hard to overestimate the importance of the ECE, one of the founding fathers of which was Gunnar Myrdal. In the Cold War period the Commission served as one of the few links between the East and the West. Through its today's work the ECE helps create favorable conditions for the emergence of an economic foundation of a new Europe without dividing lines.

I would like to stress the important role of Mr. Marek Belka who became head of the Commission at the difficult time of its reform and managed to strengthen considerably its authority in line with the new requirements.

Since our country has been a member of the ECE since the establishment of this Body, it has accumulated lots of analytical information related to different stages of our development.

Raising living standards for all citizens of Russia is the highest priority of the Russian Government's policies. Over the past few years we've achieved considerable progress in reaching this goal. Recent decisions in the social sphere will ensure that this policy is implemented consistently and on a long-term basis. This policy is based on steady high economic growth which is mostly due to the dynamic development of real sector, i.e. industry, construction and trade, rather than oil and gas prices. Major infrastructure projects are being carried out. Development Institutions have been established to ensure a transition to an entirely new innovation-based economy. Foreign direct investments grow at a record pace. Russia is now among the world's leading economies. From 2000 to 2006 alone the total volume of our foreign trade more than tripled, the volume of trade with the European Union grew fivefold.

Our country uses its natural competitive advantages to regain its position in world markets. At the same time we are ready to work together with our partners on the basis of equality to establish a more efficient and fair foundation of international trade and economic, monetary and financial systems. We follow this approach in our work within multilateral institutions, G-8 and negotiations on our accession to the WTO and the OECD.

Russia is consistently strengthening its stand as a donor-country in international development assistance. Within the framework of the Paris Club we've reduced the debt burden of developing countries by approximately 12 billion dollars. Within the context of G-8 Russia undertook additional obligations to finance over the coming 4 to 5 years various initiatives in such areas, as education, control of infectious diseases and eradication of energy poverty, totaling about \$600 million. In 2007 we provided \$210 million for the development assistance, and that does not include debt write-offs. As domestic social and economic conditions improve we will be increasing this figure gradually in compliance with the UN recommendations.

Strengthening of Russia's independent role in international affairs has become the main foreign policy outcome of our recent development. It corresponds to our political tradition and history. Every time we allowed others to do thinking for us we faced negative consequences both for Russia and the rest of the world. We intend to fully contribute, including intellectually, to the solution of global problems, establishment of a more democratic world order based on principles of collective action and international law. It is imperative for everybody to realize, the sooner the better, the true meaning of fundamental changes resulting from the end of the Cold War. Today's world has emerged from the confines of the two-bloc folder and is objectively becoming multipolar. Nobody has a monopoly on globalization processes - this is the key fact many are yet to recognize.

Political and psychological inertia of past approaches continues to influence global and regional affairs in the negative way. This growing discord with reality in the policies of some of our partners has compelled us to call for an open, honest and democratic debate. We cannot interact effectively if we don't agree on modalities of cooperation. That was the point of President Putin's Munich speech of February 2007.

Russia pursues an open foreign policy and doesn't seek to ensure its security at the expense of somebody else. The new Russia needs nothing that can be gained by force. We don't impose anything on anybody. Moreover, everywhere we find evidence of demand for an active role of our country in international affairs and we are aware of our responsibility that entails.

Russia is the largest European state. Along with the United States she is an integral part of the European civilization. As a matter of fact, through its development in the course of centuries Russia has been extending the reach of European civilization.

Russia has not only been a recipient, but also a contributor to Europe. This means the entire Russian culture and primarily literature and arts of the 19th and 20th centuries. The same is true of our defeating the attempts at a forced unification of Europe, as well as saving, together with our allied comrades-in-

arms, the Continent from Nazi domination that posed a mortal threat to the entire European civilization.

It will not be wrong to state that Peter the Great's modernization of the country became a European scale project. The Continent's subsequent progress could hardly be possible without a renewed Russia. What was true then is twice as true today. Unity might constitute genuine European emancipation, above all from its own internal strife and external tutelage, which would have released an enormous artistic, intellectual, economic and other potential in the interests of the peoples of Europe and the entire world. Today, the need to maintain a balance in Europe from outside, as was the case during the Cold War, has vanished for objective reasons.

Development of multifaceted interaction within the CIS region is the absolute priority for Russia. Here, just as in other regions, the integration imperatives of globalization come to the forefront. Peace, tranquility and prosperity in this region are vital for normal democratic progress of the societies in all the countries of the Commonwealth. We call upon everyone to act in this region in a legitimate and transparent manner, without damaging stability and with full respect for the legitimate interests of the countries of this region, as well as their culture and traditions. We are convinced that the integration processes within the European Union and the CIS are compatible: they all work for the future of our Continent and help lay a material foundation for a fundamental transformation of the entire European architecture.

Unfortunately, the transition in the European affairs has been unjustifiably slow. The OSCE has failed to become a structure that could embody the unity of Europe. Moreover, new division lines have emerged within the OSCE, and the principle of equality of the Participating States is being undermined. Continuing NATO expansion, that can hardly be justified by the needs of strengthening genuinely all-European security, does not serve the cause.

Some say that while Russia opposes NATO's expansion, it continues to cooperate with the Alliance in a more intensive fashion than the candidates for accession. This is precisely the case in point: the nature of modern threats to security is such that in order to effectively neutralize them it is sufficient to cooperate with NATO in various formats without recurring to traditional methods of geopolitical expansion, which only sows mistrust and creates risks to political and military stability.

When, in its time, Russia demanded lifting the restrictions of the Treaty of Paris that ended the Crimean War, Chancellor Alexander Gorchakov wrote that international guarantees of Russia's security in the Black Sea were merely "theoretical". Russia demanded to bridge this gap between "theory and practice". Today, the same gap has opened up between words and deeds in the

European arms control as a result of nine years of Adapted CFE Treaty's virtual existence because NATO members have been refusing to ratify it. In the meantime, the "old" CFE, with the disappearance of the Warsaw Pact and the NATO expansion, has long lost its relevance.

Under this Treaty, NATO countries may now build-up their forces in Europe to 26,000 tanks, 40,000 armored combat vehicles, 25,000 pieces of artillery, 8,300 combat aircraft and 2,500 attack helicopters. That exceeds the maximum levels for NATO countries set at the time the Treaty was concluded in a different historical period and is almost double the limits defined by the Treaty for the countries who are not members of the Alliance. One might ask a reasonable question – why would NATO countries need such a headroom for a build-up? For in the North, West and South the borders of the Alliance's European member-states are washed by seas and oceans. Still NATO has advanced its military infrastructure further East towards our borders.

Our decision to suspend the implementation of the CFE Treaty pursues the goal of changing this abnormal situation. We stand ready to continue talks aimed at revitalizing the conventional arms control system.

The plans to deploy a US ABM site in Eastern Europe do not meet the demands of our time either. We are being told that this is not directed against Russia. Yet, Bismarck said that in the military affairs, you have to judge not intentions but capabilities. Everyone would have to adopt this premise if plans for ABM TPA materialize. Let us not be deceived: the ABM problem is anything but a bilateral issue; it is an all-European issue indeed. It is incomprehensible why the European Union has turned a blind eye on this.

Against the backdrop of the plans to create an ABM system the Russia-US talks on continuity in the process of bilateral nuclear disarmament have stalled – the fact that causes an equally great concern. Strategic Arms Reduction Treaty will expire in December 2009, and in the absence of comprehensive, legally binding agreements on further limitations on such armaments in succeeding period strategic stability might be seriously undermined. The "ABM Shield" and a free hand in the area of strategic offensive arms - experts cannot be unaware of the destabilizing effects of such a combination. Here again, we are talking capabilities, not intentions.

We maintain that everyone should respect the joint commitment of Russia and NATO members adopted at the highest level in the Rome Declaration of 2002: "to build together a lasting and inclusive peace in the Euro-Atlantic area on the principles of democracy and cooperative security and the principle that the security of all states in the Euro-Atlantic community is indivisible."

It is precisely the logic of indivisibility of security that underlies President Vladimir Putin's initiative to counteract the risk of nuclear and missile proliferation through joint efforts of Russia, the United States and Europe. We

wish our partners stop sidetracking work on the basis of this proposal, which offers a constructive alternative to unilateral ABM plans.

We are confident that this three-way Russian-American-European format has a great potential in all aspects of ensuring security and stability. For example support by the European Union of such joint US – Russian initiatives as prevention of acts of nuclear terrorism, WMD proliferation control accompanied by incentives to a secure nuclear energy development has already contributed to emergence of global coalitions with a view to advancing these projects.

A new vision of relations in the Euro-Atlantic region – relations of interaction between the three centers of European civilization – is in our common interests. Only thus we would finally succeed in realizing the hope that was born at the end of the Cold War of ensuring the integrity of this vast space from Vancouver to Vladivostok and prevent its bloc fragmentation. Naturally, the relations in this “triangle” can only be honest and equal.

I'd like to make a point: on this basis we are prepared to seek mutually acceptable solutions, both, on CFE, and ABM, as well as on other issues relevant to collective security, which claim attention at the highest level. The NATO – Russia Council Summit is scheduled for next April. President Vladimir Putin has accepted an invitation to participate. That is yet another demonstration of Russia's openness to a dialogue on any issues.

Strategic partnership between Russia and the European Union could become one of the pillars of the new Europe without dividing lines. It is therefore essential to strengthen its material base, i.e. the relations of economic interdependence. Trade is growing at impressive rates. Major energy projects have been launched with a view to further strengthening the Continent's energy security on the basis of principles agreed the G8 Summit in Saint-Petersburg. I want to emphasize once again: Russia has always abided by its energy supply obligations, and will continue to do so. Investment cooperation has a special significance. A lot has yet to be done, however, since the investments of the European Union into Russian economy amount to more than 30 billion dollars while the Russian investments only reach 3 billion so far.

We are fully aware of the difficulties facing the European Union. We welcome the efforts taken to overcome them, particularly the signing of the Treaty of Lisbon. We are convinced that life will arrange things as they deserve. In any case, we are equipped with a kind of safety net, i.e. the road maps of four Russia-EU common spaces, mechanisms for sectoral dialogues, and what is most important -- we enjoy intensive mutually beneficial bilateral relations with many European countries. We are ready to start negotiations on a new Russia-EU treaty as soon as our partners are prepared to do so.

I am sure that today when the competition has been acquiring a civilizational dimension, a truly united Europe would be in a far better competitive shape. Only through collective efforts can we also resolve another topical problem - the preservation of European cultural identities under the onslaught of globalization.

Speaking of competition, let us not forget that it should be fair. It is necessary to agree that the competition rules agreed upon by all are sacred in Europe, in Asia and in North America, that no one is going to resort to protectionism and discrimination either in agriculture or in the field of energy and foreign investments.

Today, there are obvious successes in reviving the economy, social sphere and democracy in many countries which profess various development models. So let us compete - openly and honestly - including in these areas, while respecting each others' history and traditions. This presupposes expansion of the dialogue with the civil society, joint work to ensure human rights, including the rights of minorities, migrants, children, media freedoms, electoral rights, protection from xenophobia, racism and neonazism. One cannot overestimate the role which can and must be played in this respect by various European organizations of the UN system.

As was noted by President Vladimir V. Putin at the reception for the diplomatic corps in the Kremlin last November, Russia is prepared to play a constructive part in ensuring a civilizational compatibility of Europe. In order to get second wind and to claim validity (it is precisely validity rather than universality) of its common values, the European civilization should become genuinely inclusive, in other words, to be, in the first place, tolerant to, and comfortable for all those who long for Europe and see it as their new home.

"Common values" cannot provide for the freedom to hurt religious feelings or stir up religious strife. They cannot provide for the freedom to shelter terrorists, their accomplices and masterminds by protecting their rights at the expense of the rights of the victims of terror. There is no need to draw on imagination here. Suffice it to return to the balance of rights and responsibility for one's own actions, which was reflected in international legal instruments worked out in the postwar period, including the Universal Declaration of Human Rights and European Convention on Human Rights.

We should not forget about the spiritual and moral basis of human solidarity. For, what is at stake, are fundamental questions of existence and recourse - to use Madelaine Albright's words - to "transcendent issues" such as "history, identity and faith". A Common Moral Denominator that has always been present in the world's major religions would also be of help in a dialogue between civilizations and in shaping the criteria of observing the fundamental rights and freedoms, as well as of personal responsibility. The World Summit of

Religious Leaders in Moscow in July 2006 became an important stage in these aspirations. Russia suggests that an advisory Council of Religions should be established under the UN auspices. This would significantly enrich the work already being done within the Alliance of Civilizations. We hope that the Council of Europe's White Book on Intercultural Dialogue and the forthcoming conference to be organized by the Committee of Ministers of the Council of Europe on religious dimension of the intercultural dialogue will contribute to strengthening of moral and ethical principles in European affairs.

The European society is becoming ever more diverse both culturally and confessionally. Europe is capable of offering to other cultures and civilizations something more than solely political values and its secular tradition. It is necessary to back them up with a moral authority. Otherwise, Europe's values can easily become a subject of political manipulation, for instance within the framework of the so-called "pseudo-democratization".

Among our genuinely common values are: the Helsinki Final Act and subsequent collective interstate OSCE instruments. And if, acting on this basis, we do not succeed in completing the institutional building of the OSCE as a full-fledged regional interstate organization and if we reduce all the pathos of the Pan-European process to upholding the "gold-standard" invented by ODIHR's bureaucrats, then the relevance of the OSCE will steadily diminish. And still, few OSCE people seem to care about the way the common values enshrined in the Helsinki Act have been refracted in the current situation around Kosovo.

We could subscribe to the view that the Kosovo problem is "the European Union's affair", but only after all the Balkans, including Serbia within its current frontiers, are integrated into the European Union. So far, Kosovo is an international problem under the UN Security Council's jurisdiction. The Security Council has a universal jurisdiction and there cannot be any selective approach to that. How could one bless a unilateral declaration of Kosovo's independence bypassing the Security Council and expect the Council address other issues as if nothing has happened? Do we all understand how damaging that would have been to its standing and authority?

Over many centuries, Europe has been exorcising its demons. This resulted in international rule of law placed in its foundation. Any break with this principle could be fraught with unpredictable consequences for the entire continent. To decide the fate of peoples proceeding solely from "solidarity" or other considerations of political expediency would, in fact, mean a return to the Dark Age. It is not acceptable to reduce democracy and the rule of law exclusively to domestic processes while resorting to monopolism and practices not based in law in international affairs.

It will be sad if future historians invoke a unilateral declaration of Kosovo independence as a starting point of the collapse of the present European project. A common currency, *acquis communautaires*, will not be enough if the project is not based on truth and justice. Russia, on its part, has done all it could on the Kosovo issue. But we are not going to participate in undermining the legal foundations of the modern Europe and the UN Charter.

The current developments concerning Kosovo are all the more depressing that the Troika created last summer and composed of Russia, the US and the European Union achieved a fairly good progress in promoting direct talks between Belgrade and Pristina. Concrete and far-reaching proposals regarding the status of Kosovo were put forward. And it was a mistake to artificially discontinue that process.

We put it frankly, as we did when we called the war in Iraq a mistake. But we are not happy about being right on that latter issue. Moreover, we would like to help find a way out of the Iraqi crisis and to support the Iraqi people. The Agreement on the Settlement of the Iraqi Debt and the Memorandum on Trade, Economic, Scientific, and Technological Cooperation were signed in Moscow yesterday. We are supportive of a national reconciliation process in Iraq with international support. Europe, the United States, and Russia, together with Iraq's neighbors, the UN, the League of Arab States and the Organization of Islamic Conference, could play a catalytic role in that regard.

Our collective potential is also instrumental in the work of the Quartet aimed at achieving an early settlement of the Arab-Israeli conflict, the most long-standing one. We all have a special responsibility towards the Palestinian people who for over half a Century now have been waiting for the creation of their own state as promised by the UN. At the same time, we should fully ensure the legitimate right of Israel to security. We are instrumental in making the process launched in Annapolis follow exactly that course. But it will hardly be possible without restoring the Palestinian unity and solving the acute humanitarian problems of Gaza. It is also important to keep in sight the final goal - a comprehensive Middle East settlement, including Syrian and Lebanese tracks.

Untying the Middle East knot means making a decisive step in the fight against terrorism.

For us, terrorism had become a real threat long before September 11, 2001. Until a certain moment, Russia had been practically alone to destroy a terrorist entity in its territory. Later on, already within the framework of the antiterrorist coalition, we actively supported efforts aimed at solving a similar problem in relation to another source of international terrorism - the Taliban regime in Afghanistan harboring Al-Qaeda. And we are concerned today over the trend of Taliban members returning to government bodies in Afghanistan.

We are aware how acute is the issue of the Afghan settlement for the NATO members, who are the main contributors to the International Security and Stability Force there. Here again, we are ready to help by working together to eliminate terrorist and drug threat – indeed, a real, rather than hypothetical threat.

We should jointly think over the way to make use of that elusive "peace dividend" that was so frequently mentioned in connection with the end of the Cold War. In any case, we will have to choose between "guns and butter". Today, "butter" implies a very broad range of issues - from key problems of sustainable development to combating infectious diseases and climate change. It is obvious now that the remilitarization of international relations diverts huge resources from creative purposes. It is impossible to solve development problems without an effective global poverty reduction strategy. Additional financial resources, as well as transfer of modern technologies and know-how will be needed to ensure an equal access of all states to the benefits of globalization.

One should not keep viewing the problem of poverty and misery, particularly in Africa, as something isolated from the mainstream of progress of human civilization. The strategy to support Africa should make an integral part of the general globalization trends. In particular, short of that it would be impossible to solve the problem of illegal migration which is very acute in Europe.

The experience of rapid growth in Latin America and the Asia-Pacific region convincingly testifies to the fact that free, self-assured nations can literally work wonders.

It is useful to learn lessons from history, but it is hardly so to use historical subjects as a means to maintain the Cold War inertia. Russia is prepared for meaningful and frank dialogue on history, too. Such a dialogue should be maintained by historians in order to establish facts. It should cover history in its entirety - according to the principle "the whole truth and nothing but the truth". History does not begin with a date of anyone's convenience. History is a continuum of cause and effect relationships. Let historians deliberate on the responsibility for the two World Wars in the twentieth century. Let them examine the origins of the Cold War so that nobody hides archives of that period, so that everybody honestly tells how and for what purpose that was all done.

Meanwhile, let us not forget that between the two World Wars authoritarian regimes were a rule, rather than an exception, in the Eastern part of Europe. And, perhaps, the principle of national dignity implies the ability of every people to bear their share of responsibility for their history and their destiny. This is the only way for us to heal historical "wounds" and make history

an instrument of learning lessons which would be useful for developing forward-looking relations in Europe and in the whole world, rather than an instrument of confrontational policy. That was the case of reconciliation between France and Germany and between Russia and Germany. Among other good examples one could mention the recent Russian-Polish collection of documents on the Warsaw Uprising compiled by historians of the two countries, as well as joint activities of Russian and Ukrainian scholars.

There should be no doubt that Russia will never turn from the path of democratic development. The forms and pace of this process reflect Russia's specific features and traditions. Both psychologically and in all other respects, Russia has passed a critical stage in its transformation over recent years. Annually, over 6 million Russian citizens travel abroad, and these numbers will continue to grow, especially after an introduction of a visa-free regime with the European Union, which we have been consistent proponents. Russia's openness to the world serves as a guarantee that the democratic change that has taken place in our country is irreversible and that our foreign policy will continue to be open and non-confrontational.

I think I won't be wrong if I say that we have embarked upon the course of a sustainable and steady democratic development of our country while realizing clearly the fundamental goals of that process. The strategy for Russia's development for the period until 2020 presented by President Vladimir V. Putin last week proves this point. This strategy sets out clear long-term goals of our foreign policy, ensuring its continuity based on a broad agreement achieved in our society. And I strongly believe that the forthcoming presidential elections on March 2 will also attest to the course.

At the beginning of the last century, Pyotr Stolypin, our prominent reformer, used to say that Russia needed 20 upheaval-free years. The First World War that resulted from the total bankruptcy of the European politics and marked the beginning of the "Way of the Cross" for Europe in the 20th century prevented us from accomplishing this transformation. Today, we are dealing with the same issue but in a new historical environment, and this time we will find a solution meeting both our own interests and those of the whole Europe. Moreover, we will not allow this process to be thwarted from outside.

We will not allow anyone to draw us into a new confrontation, and a costly arms race. But it is equally important to prevent a situation when a logic of alienation prevails in the face of common challenges.

Russia will always be a reliable partner in searching solutions to urgent European and global problems. We believe we must work together in finding agreements that will be acceptable to all parties within the framework of, either, the OSCE or the Council of Europe, the Partnership and Cooperation Council between the European Union and Russia and the Russia-NATO Council as well

as other regional and sub-regional structures and UN family Organizations stationed in Europe. We will consistently promote a positive and uniting agenda in international affairs and work with all those who are for that on the basis of equality and balance of interests.