

**1. It is well known that journalists covering matters of international security and global politics tend to be pessimistic. Indeed, their main task is to articulate unresolved problems, to warn the public about existing and future threats and challenges. Politicians, statesmen and diplomats, on the contrary, cannot afford themselves anything but optimism. For them it is not enough to identify problems and challenges: their constituencies are expecting solutions and answers.**

**2. I spent most of my professional life as a diplomat and a state official. Though right now I belong to academia, I maintain an addiction to optimism. However, my optimism about the current state and the future of international relations is not blind or unconditional – it is based on my experience and my assessment of the existing trends of global development. It is based on the facts that we can all verify.**

**3. The doomsday prophecies of the Mayan Calendar turned out to be wrong – the end of the world did not occur in 2012. I do not quite know whether these were the ancient Mayas who**

**miscalculated something, or these were modern experts and interpreters who misinterpreted the Mayas, but life goes on, and the global apocalypses is rescheduled to a later date. Nobody would deny that the mankind recently experienced many crises, conflicts, disasters and catastrophes, but in most cases reality did not match the worst case scenarios. The international financial system has not collapsed. The European Union so far has not fallen apart, and the euro zone is still there. The US – China relations have not turned into a Cold war type conflict. Iran has not destroyed Israel and Israel has not executed a military strike against Iran. The world has not been hit by multiple large scale and well coordinated terrorist attacks. The global situation with energy, food or water has not become critical. The global warming has not led to catastrophic climate changes and floods.**

**4. This is not to say that all the above mentioned threats are eliminated. Not at all. Most of them remain very real and it would be completely careless to ignore them. My point is different. We should not underestimate the human instinct of self-preservation. This very fundamental and power instinct manifests itself not only**

at the level of individuals, but at the level of the international community at large.

The mankind is restlessly searching for a new form of self-organization. This search is not always consistent, it is in no way guided from a single center, and in many cases it is not successful at all. But the quest for a new world order is going on. There are numerous attempts to revise or even to reinvent old institutions – UN and NATO, the World Bank and the European Union. At the same time, new institutions claim their share of power and authority, like G20 and BRICS. Unprecedented trans-regional and even transcontinental alliances come to life; non state actors – from huge transnational corporations to international NGOs – interfere in questions that used to be a monopoly of diplomats and uniformed men.

5. My experience and my intuition tell me that the next twenty years are likely to be decisive in shaping a new world order, in setting the ‘rules of the game’ for a more remote future. Nobody has a master plan to change the world; nobody would share a new set of Ten Commandments with the rest of us. Every country, every civilization and every political power has a chance to make its own

**contribution to this global endeavor. On the other hand, no country, no civilization and no political power is secured against lagging behind, missing its opportunity and turning from a deal-maker into a deal-taker.**

**6. The current situation is complicated by the fact that we have to handle two very different international agendas simultaneously. The agenda of the XXI century is associated with globalization, coming resource deficits, social and economic discrepancies, unprecedented levels of migrations, high volatility of the international financial system and so on. But the truth is that the agenda of the XX century is still with us as well. The Cold war ended more than twenty years ago, but we evidently failed to do away with its historic legacies. Nuclear deterrence and proliferation, continuous arms race and proliferation of weapons of mass destruction, the division of Europe and sporadic tensions in East Asia – these are just a few ‘birthmarks’ that we inherited from the previous century.**

**7. I am not going to spend your time discussing why the Cold war legacy turned out to be so resilient, though this question deserves, in my view, a serious consideration. Right now I’d like to**

**underscore only one point: we cannot simply ignore the ‘old’ agenda and expect that somehow the residuals of the Cold war will disappear on their own. It has not happened in the past and it is not going to happen in the future. Moreover, our inability or unwillingness to address the ‘old’ agenda will have a profound negative impact on our efforts to manage the ‘new’ agenda. We simply cannot resolve multiple problems of the XXI century without having cleaned all the mess that we altogether accumulated in course of the XX century.**

**8. But who is supposed to take the main responsibility for this uneasy and – most likely – painful transition to a new world order? It would be tempting to suggest that the leadership should come from authoritative international organizations – like the United Nations, the Council of Europe, NATO, the World Bank, WTO, etc. No doubt, the role of such institutions – both global and regional – should not be underestimated. However, history tells us that international organizations are as efficient as their constituent member states want them to be. Just look at our chronic inability to do anything meaningful about reforming the United Nations. How many bold and imaginative UN reform plans have been discussed**

over the last twenty years? How many bright speeches from the UN General Assembly podium have we heard? The net result is that the United Nations is failing more than often to cope with numerous crises and conflicts, and has become the target of fierce criticism from all over the world. Take another graphic example – global financial institutions like the World Bank or IMF. For decades we have had discussions on how to reform the international financial architecture and to upgrade organizations initially designed back in 1940s. The reality remains, however, that the change has been both slow and modest, to say the least.

9. Can we delegate the leadership role to the private sector? Today they talk a lot about corporations as agents of innovation and change. In very many cases the private sector does play a very significant and a very instrumental role in the global politics. Modern business tries hard to become a true global citizen and to demonstrate its adherence to principles of corporate social responsibility. Still, the main goal of any business is to generate revenues and keep the shareholders happy. This is the nature of the private sector and this is its evident limitation. The private sector can and should be actively engaged, but it can hardly become a

**legitimate and efficient leader in transforming the system of global politics.**

**10. If for-profits cannot do that, then what about non-profits? Should we entrust civil society institutions to lead us along the bumpy road of the global transition? As a person, who now spends most of his time leading a Russian NGO, I would be the last one to deny the increasing role of civil society institutions in the contemporary international relations. Civil society can be an indispensable source of foreign policy advice and criticism; it can generate out of the box ideas and plans, it is in the best position to build broad public support for unorthodox initiatives and approaches. Furthermore, NGOs are actively engaged in public diplomacy, second track negotiations, international advocacy campaigns and so on. Nevertheless, non-profits have their limitations as well. As a rule, NGOs are too detached from day to day politics and therefore their proposals are not easy to convert into operational plans. Besides, almost by definition civil society institutions reflect particular group interests, advocate for specific causes and lack a comprehensive approach to international relations.**

**11. In the final analysis, all other actors in the international system notwithstanding, it appears that in the foreseeable future nothing will replace nation states as the key players in global politics, especially in critical matters of building the new world order. How are they going to interact with each other? Will they find the right balance of interest, when the balance of powers is shifting so fast? How they will define the fundamentals of the future international system and what kind of self-restraint are they willing to accept? It would be no exaggeration to say that interstate relationships form the skeleton of the international system while other actors constitute its flesh, blood and skin. Take away the skeleton and the whole construction collapses.**

**12. Can nation states demonstrate the leadership adequate to meet the challenges of today and of tomorrow? And I'd like to stress that the leadership of the XXI century is very different from what was understood as 'leadership' in the past. International leadership now means, above all, responsibility, not the ability to compile a cohort of clients and proxies or to impose your will on the rest of mankind. To be a leader means to demonstrate an example of responsible international behavior that other actors of world politics**

can follow. In other words, the true leadership means not only the physical capacity to engage in an active foreign policy, but also a moral and intellectual authority recognized by both your allies and opponents.

13. That brings us to the idea of a ‘smart’ foreign policy. I do not want to imply that the current foreign policies of Russia or the United States or any other country are stupid or unintelligent; I mean that we should consider a new level of foreign policy planning, management and coordination. We simply have to do this if we truly intend to lead the world to a new system of international relations. Today, our Western neighbours often talk about ‘smart’ defence as the future military posture for the Atlantic Alliance. It is probably a step in the right direction; however, it would be logical to suggest that no ‘smart’ defence could ever replace a ‘smart’ foreign policy, which should include a defence dimension along with many others that are equally important.

14. What do I mean specifically by a ‘smart’ foreign policy?

First of all, it implies an ability to resist the temptation to pursue opportunistic, short-term gains in foreign policy to the detriment of international stability. Such temptation is hard to

**withstand, especially if you happen to be an ascending power. But one cannot claim leadership in world politics while at the same time using opportunistic approaches to resolve specific problems and situations. Only strong countries are capable of leadership—countries that are willing to sacrifice their momentary interests for the sake of achieving strategic goals and accomplishing systemic objectives.**

**We all know that after the end of the Cold War the United States tried to capitalize on the changing balance of powers in order to secure its position as the unquestionable global leader. The idea was to construct and to maintain a unipolar world with Washington, DC at its centre. The results of such short sighted policies turned out to be disastrous for the US: America got involved in a number of regional crises, lost the support of many allies and partners and ended up with huge budget deficits and a dramatic increase in anti-American sentiment throughout the world. Short-term gains led to strategic defeats and major losses, not only for the US but for international stability as well. If the US leadership had demonstrated more wisdom, maturity and readiness for multilateral decisions, we would live in a different world today.**

**15. Second, the concept of a ‘smart’ foreign policy implies that nation states should do their utmost to separate their foreign policy agendas from their respective domestic politics. I know that this is difficult today: international affairs have a direct impact on domestic political agendas. Nevertheless, if fluctuations in domestic political life can change the course of foreign policy, what kind of continuity and consistency can we claim? How can our international partners trust us and rely upon us? I believe that the foreign policy of a responsible power cannot and should not be partisan; it should rather reflect long-term national interests representing all significant political, social and economic groups that have a stake in international relations. The art of political leadership is to reconcile various group interests and to find a common denominator for colliding aspirations, expectations and needs, and not to serve just one political or social constituency.**

**16. Third, I would strongly oppose the idea that a ‘smart’ foreign policy should be cynical almost by definition. True, realism in foreign policy is indispensable; without realism no foreign policy can be successful. However, there is a border-line between realism and cynicism that we should not cross. For instance, we can have**

**different positions on important matters, but must avoid making use of one another's mistakes or perceived weaknesses. We can promote our values, but in the process should try not to use double standards. Integrity in foreign policy matters and international public opinion is not something that can always be ignored, even by the most powerful nations. In other words, a 'smart' foreign policy has to be credible, and credibility depends to a large extent on the integrity and consistency of foreign policy principles.**

**17. Fourth, a 'smart' foreign policy means that states must demonstrate the ability to exercise global intellectual leadership. As mentioned earlier, an abundance of natural resources, large territory or population and exceptional military or economic power is no substitute for intellectual potential in foreign policy. History gives many examples of how powerful and self-confident countries failed to cope with problems of international security—not because they lacked resources, but because they did not have the right vision, imagination or ability to adapt to a rapidly changing international environment. Historically, most major powers have been status quo oriented; they favoured stability over change. This is perfectly understandable, but change is unavoidable, and the**

**essential component of international leadership is change management rather than change resistance. In other words, creativity and innovation have become critical ingredients for a successful foreign policy.**

**18. Fifth, we cannot enhance the quality of our respective foreign policies unless we elevate the mechanisms of the bureaucratic decision making process to a qualitatively new level. Traditional actors in foreign policy: diplomatic services, foreign intelligence, defence agencies, can no longer claim a monopoly on many important foreign policy decisions; they have to reconcile their positions with those of new actors—ministries of finance and trade, governmental bodies regulating migration and the environment, regional and local sub-national powers, etc.,—and with their specific foreign policy interests and aspirations. The interplay between the traditional and new actors in foreign policy making is complicated, sensitive and sometimes quite painful. But unless we harmonise such interplay we will never ascend to the level of a ‘smart’ foreign policy.**

**19. Sixth, it is critically important to harmonize public and private instruments of foreign policy making. We live in a world**

where large corporations pursue their own foreign policies that do not necessarily coincide with the national interests of their respective states of origin. At the same time, direct attempts by governments to use the private sector as an instrument of state policies appear in most cases to be inefficient and even counterproductive. Successful models of private–public partnerships in foreign policy are yet to be designed and tested, but the engagement of the private sector is nonetheless an essential ingredient of a ‘smart’ foreign policy.

20. Seventh, we should all work harder to enlighten our respective societies about globalization. Not only state bureaucrats, academics and CEOs of big corporations, but also our fellow countrymen—civil society institutions, small business managers, city dwellers—should learn how to live in this new world. As we have seen on many occasions, political radicals and extremists proactively use the negative side effects of globalization to exploit deeply-rooted public prejudices and stereotypes. Overcoming such prejudices and stereotypes is not easy, but no ‘smart policy’ will be sustainable unless it has broad public support.

**21. Eighth, the concept of a ‘smart’ foreign policy cannot be the monopoly of one state or group of states. All of us—in the East and in the West, in the North and in the South, in big or small states, in the corridors of state power and in university libraries—are only beginning to approach the subject. At this point it is not yet an established political practice, and not even an integral project but an assortment of innovative ideas that sooner or later will transform the international system. There is no monopoly on ideas of how to change the world for the better. We have to learn from one another, and the more we communicate and the more we collaborate, the better it is for us all.**

**22. The desire of many politicians, officials, and diplomats to brush aside the quest for a ‘smart’ foreign policy is psychologically quite understandable. The new approaches to policy making do not fit into the traditional political game logic; their impact is hard to estimate—even more difficult to control, and their consequences are not always predictable. However, by refusing to deal with new ways of thinking we disregard not only problems, but also opportunities.**

**23. Let’s try to deal in terms of ‘smart’ foreign policy with the today’s state of Russia – EU relations.**

**Russia and Europe are both trying to secure their appropriate places in the emerging system of international relations. Needless to say, our starting positions are different, but the racing track is the same. We might sit in different boats, but we sail in the same direction. And the stakes are very high for both Russia and Europe.**

**If Russia falls behind in race, it will continue its slide down to become a purely raw materials' producer completely dependent on fluctuations of global energy prices. The remaining scientific, cultural and educational potential of the country is likely to decay further, which will ultimately deprive Russia not only of the position of a great power, but that of an independent actor in global politics.**

**For Europe, a failure to respond to challenges of the XXI century would result in less dramatic, but no less serious consequences. One can foresee a chronic economic stagnation, rising social tensions and political instability. Europe might well lose its current positions in most attractive global markets. Production is going to migrate to East Asia; innovation will stay in North America. The inability to cope with the new reality might even question the rationale for the “European project” itself.**

**24. A very important question for Russia and for Europe in this context is about our positions versus each other in the new international system. Are we competitors or potential partners? Are our interests in the age of globalization clashing, converging or diverging? Not everybody in my country considers Europe to be a natural political and economic partner and ally to Russia today and in the future world. Many skeptics would say that Russia should rather try to partner with other global leaders – either current leaders (North America) or future ones (East Asia). From this viewpoint, Europe has already lost the battle for innovation and economic development and slowly, but steadily turns into a global ‘industrial museum’. Of course, in Europe there are plenty of skeptics as well. They see no particular value in partnering with Russia; such a partnership, in their view, has a corrosive impact on the European economic and political system and though it can look as an asset in the nearest future, it is clearly a long term liability for Europeans. If Europe wants to lead and to prosper, it should limit its links to Russia to the extent possible and, instead, should look for partners and allies in other parts of the world.**

**25. The ongoing disputes between Moscow and Brussels reflect this deeply rooted skepticism on both sides. Russians accuse Europeans of being too slow on the visa issues, blocking Russian energy companies from access to the European downstream markets, instigating anti-Russian sentiments in the post – Soviet space and even in trying to interfere into the Russian domestic politics. Europeans, in their turn, have major reservations on the Russian human rights track record, adherence to European values, the Russian position on a number of regional crises, the state of the Russian legal system, and so on. The skepticism in Moscow feeds the skepticism in Brussels and the other way round. As a result, we keep losing momentum and turn the EU-Russia summits into almost a formal ritual.**

**26. If this trend on both sides prevails, it is easy to predict that Russia and Europe will drift apart. We will not necessarily clash with each other, but our relations will be that of benign neglect at best. Russia and Europe will continue to be united by geography, common history, day to day economic interests, but strategically we will pursue diverging trajectories. And it is very likely that in the end of the day both Russia and Europe will try to imitate what is**

perceived to be more promising and more attractive social and economic models. In other words, both of us will follow the so called “catch up” modernization model with all the advantages and shortcomings of this development path.

27. Is there an alternative to this scenario? I am deeply convinced that an alternative does exist. And the alternative is imbedded in something that unites Russia and Europe even stronger than common history and geography. Russia and Europe have always taken pride in the quality of their human capital. It is exactly the human capital, not the resource base, production capacities or financial reserves - that constitutes the foundation of the contemporary development trends. The quality of the human capital is the defining factor in the quest for the global leadership. And to accumulate the human capital you need to enjoy an appropriate cultural environment, systems of general and higher education, research and innovation centers. In Europe and in Russia there are strong traditions of human capital building and there is an environment that stimulates its growth. We have a lot to offer each other in this field.

**28. If this assumption is right, we should try hard to activate our interaction in identifying ways to increase the efficiency of our respective human capital. That involves a very diverse range of issues: education and national research strategies, culture management and social care, public health and migration policies, community development and environment protection. If we do it right, the human capital will remain the main comparative advantage of the Greater Europe, which Russia is undoubtedly an organic part of.**

**29. Still, such a Russian-European partnership in modernization is feasible if we are able to successfully handle the traditional agenda in our relationship. Unfortunately, we do have a lot of residual problems that go back to the period of the Cold war. I tend to believe that we should have a second look at the concept of “common spaces” between Russia and Europe that we adopted about ten years ago. Unfortunately, the practical implementation of the roadmaps leading to these “common spaces” turned out to be complicated and precarious, but the approach proved to be the right one. At least I do not see any better way to handle our disputes and conflicting interests. With due political will, commitment and**

stamina on both sides we can finally bridge the gap that sill divides our two parts of the European continent.

30. Europeans have every right to criticize many imperfections and shortcoming of the Russian political system, the Russian judiciary, the business practice of Russian companies, human rights violations or misconduct of Russian tourists in Europe. Russia is in no way perfect and sometimes deserves to be criticized. But to be criticized does not automatically mean to be ostracized. Let us not forget that Russia went through a profound change of its economic, social and political systems only twenty years ago. Changes in the national psychology, in self-perceptions, in political culture and in social behavior take time. Europeans should have learnt it through their own complicated experience of the EU enlargement.

31. If one limits or blocks the European – Russian collaboration expecting Russia to “mature” as a precondition for such collaboration, the result is likely to be counterproductive. An isolated or ostracized Russia will mature slower than the country integrated in European institutions. For instance, the Russian participation to the Council of Europe had a revolutionary impact

on the Russian penitentiary system, which is now – with all its shortcomings – is much better than it was ten years ago. Likewise, when Russian corporations have their IPOs at European stock exchanges, their newly acquired status have a profound influence on their corporate governance, social responsibility, treatment of minority shareholders, and so on. Therefore, I would encourage more interaction, not less - ranging from very small, specialized agencies and institutions to major European and Atlantic organizations.

32. For example, if we speak about common Euro-Atlantic security space, a gradual engagement of Russia into political bodies of the North Atlantic Alliance may look like a very promising opportunity. Indeed, it is hard to imagine how Russia can become a full NATO member – at least in the foreseeable future; there are too many structural, technical and even psychological obstacles to a full membership on both sides. However, gradual political integration is easier to achieve and it will definitely benefit both sides. In this framework we could not only discuss such issues as the future of Afghanistan, international terrorism or nuclear proliferation, but agree on specific joint initiatives and even on joint strategies.

**33. Institutional integration of Russia into the Euro-Atlantic space will require a lot of commitment, effort, and stamina. But, in the end of the day, this is the only way to go. As Jean Monnet wisely put it many years ago, ‘nothing is possible without men; nothing is lasting without institutions’. This famous quote can be fully applied to the current challenge in relations between Russia and Europe.**