

Towards an Alliance of Europe

*Analytical Report
by the Russian
Group of the Valdai
International
Discussion Club*

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Contents

2	Foreword
3	0. Introduction
8	1. An Attempt of Political Fantasy: What Would We Gain If We Had Not Lost the Historical Opportunity
12	2. Russia and Europe in 2010 2.1. General Assessment 2.2. Russia and European Union in the World 2.3. Inside 2.4. In Bilateral Relations
22	3. The Price of Stagnation 3.1. General Assessment 3.2. In International Politics and Security 3.3. In the Economy and Social Development 3.4. In History
26	4. Way to the Future 4.1. General Assessment 4.2. Demilitarization of European Politics 4.3. Modernization of Cooperation Institutions 4.4. Principles of the Alliance

Foreword

This paper is the final version of report “Towards an Alliance of Europe”. The previous version was discussed at a special session of the VII annual meeting of the Valdai International Discussion Club on August, 31 – September, 7, 2010. The authors of the report express their deep gratitude to the participants of the discussion for the high estimation of this initiative, critical and complementary comments, and thoughtful suggestions on the modification of the text.

Many criticisms and suggestions of the members of the Valdai Club were taken into consideration during the final modification. Special gratitude to the following members of the Valdai discussion: Sergey Aleksashenko, Pavel Andreev, Thomas Gomart, Charles Grant, Ann de Tangy, Vladislav Inozemtsev, Clifford Cupchan, Robert Legvold, Anatol Lieven, Dominic Lieven, John Peet, Michael Pogrebinsky, Andreas Rinke, Andreas Umland, Ján Černogurský, Sheng Shilian, Michael Sturmer.

This paper is the first in a series of analytical reports that is planned to be prepared and published under the auspices of the Valdai International Discussion Club. The reports are aimed at the working-out of a long-term (10–15 years) agenda for the relations between Russia and the major centers of power in the new world – the European Union, the USA, emerging Asia, and, possibly, with particular nations.

In the report on the relations with the USA there will be suggested a really innovative breakthrough rather than “reset” agenda in US-Russia relations, which might include the elements of a strategic and military union to ensure the international security, close cooperation within Russia-EU-US and Russia-China-US triangles.

The report on the policy towards Asia will suggest decisive measures for Russia's overdue joining the locomotive of the Asian economic growth, and the launch of an international project to develop Siberia and Russian Far East under the auspices and on the initiative of Russia. There will be developed new suggestions concerning the essence of Russia-China relations – good in political terms, but in terms of economics clearly not going with the potential. Even now it is clear that the Asian strategy of Moscow requires innovative approaches towards the relations with Japan, South Korea, India, the members of ASEAN.

Obviously, although all the reports are based on academic analysis and forecasts, they are not only futuristic, but also to a large extent idealistic. However, the dangerous vacuum of ideas concerning the long-term global development requires special efforts to push the international analytical and political community towards a more active intellectual search. Even through the rejection of the recommendations and analysis of the report “Towards an Alliance of Europe” and the following reports.

Naturally, all the reports, like the one presented now, will be first discussed at the meetings of the Valdai International Discussion Club.

Sergey Karaganov

O. Introduction

0.1. There have been at least two opportunities in the past two decades (in 1991-1994 and in the early 2000s) to merge the two main parts of modern Europe — Russia and the European Union — into a single community, and make Russia a fully legitimate participant in the Euro-Atlantic military and political space. It would have enabled other European states to join it smoothly, thus shaping an extensive zone of common human, economic and energy interests, coordinated foreign and defense policies, and a joint strategy with respect to the foreign countries outside that community.

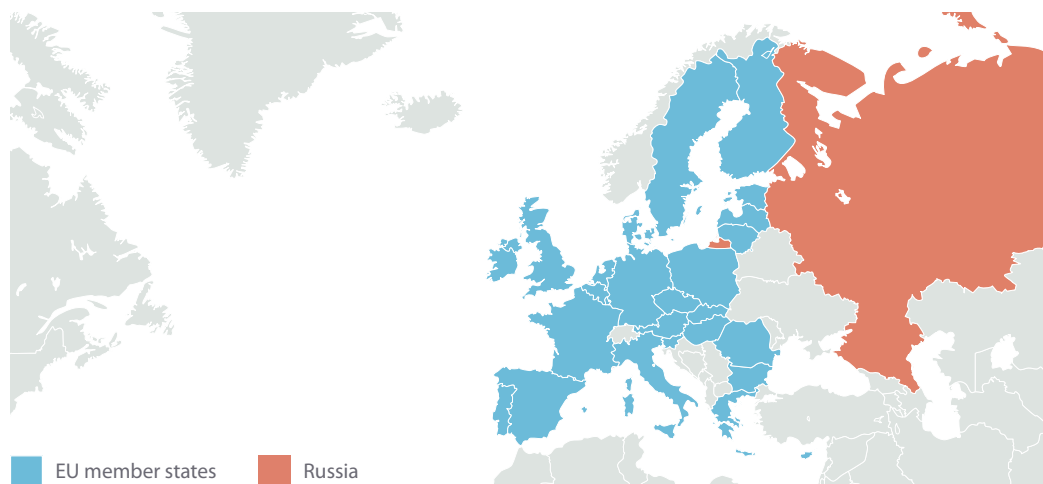
0.1.1. In 1991-1994, Russia shed its Communist regime, and its new young elite was ready to integrate with Europe and the West, even in the capacity of a junior partner. At the turn of the

century, as President Vladimir Putin began his term in office, Moscow made another bid for a broad rapprochement with the EU, but this time as an equal.

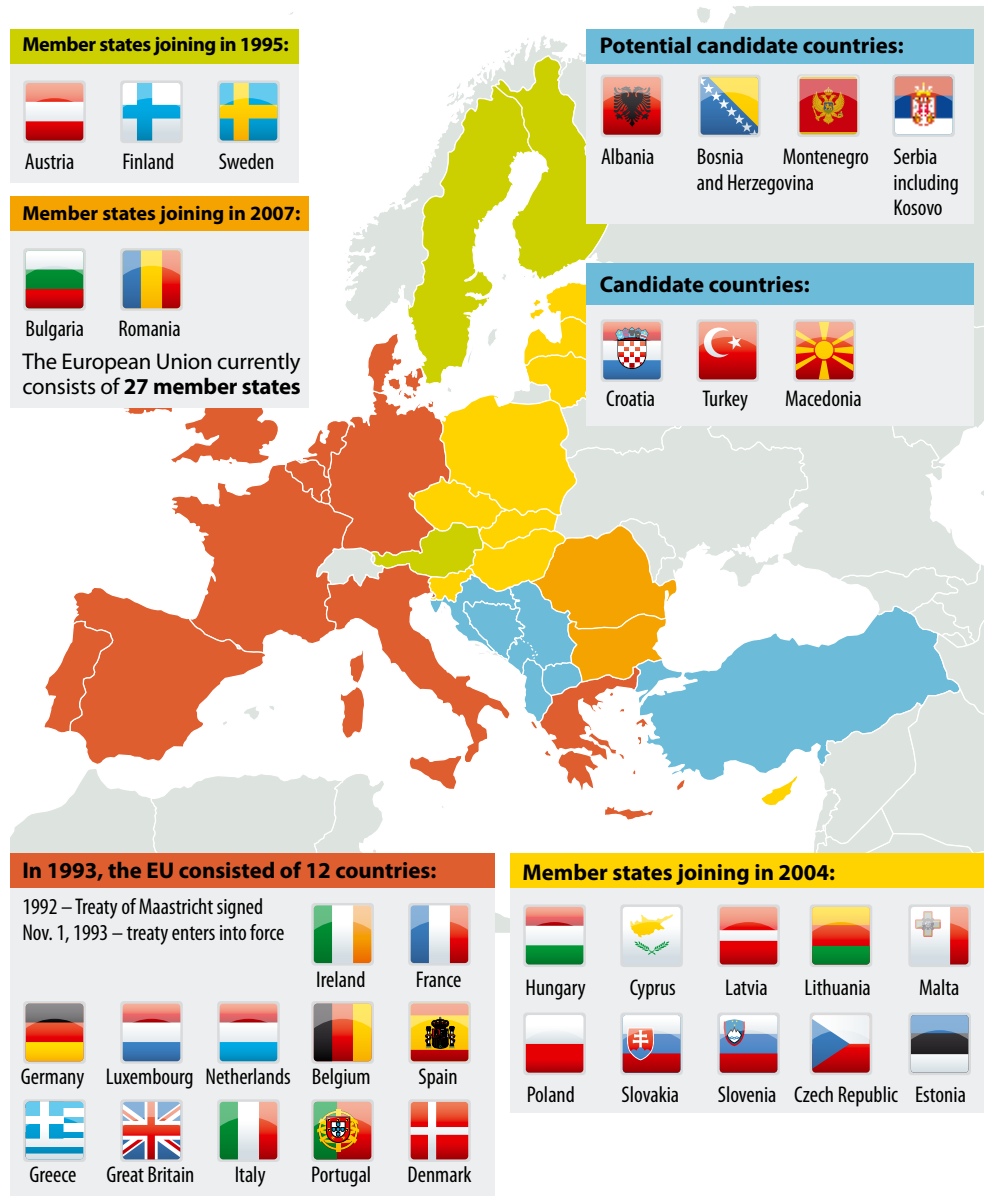
0.1.2. During the first “window of opportunity”, the West, after some hesitation, scrapped the idea, limiting itself to integration with the Central and Eastern Europe. Next, NATO began to enlarge, and the European Union followed suit. They politely treated Russia as a defeated power, but Moscow did not regard itself as such, and this contradiction made groundwork for many subsequent problems.

0.1.3. The attempts at rapprochement made in the first years of the new millennium had no clear objective, which doomed them to failure.

European Union and Russia



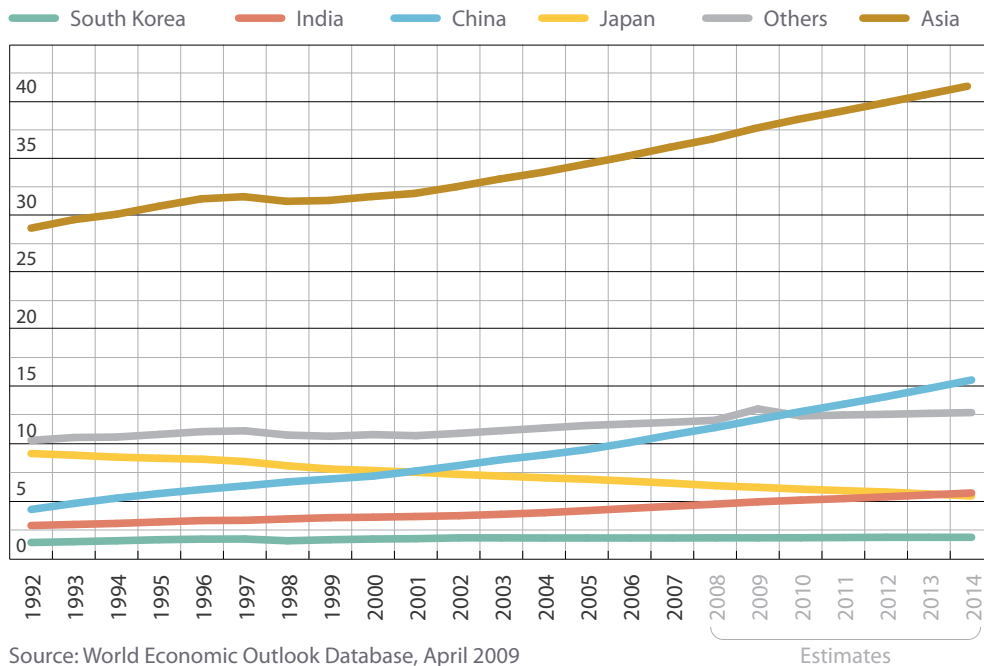
History of EU expansion



In absence of strategic vision, the narrow-minded considerations of the moment held sway. Western Europe, the U.S. and Russia had no politicians or thinkers of the magnitude of Winston Churchill, Charles de Gaulle, Dean Acheson, Willy Brandt or Robert Schuman, capable of taking a sober look into the future beyond a routine agenda. Many in Europe hoped to keep the master-apprentice model in relations with Moscow that evolved in the 1990s, dismissing the offer to work out rules of cohabitation joint-

ly with Russia (as they assumed that such rules should be unilateral, based on the EU and NATO principles). Russia, which began to restore its strategic and socio-economic potential, denied this model, acting sometimes politically offensively, and sometimes too tough. At this stage, the objective differences in the parties' positions were aggravated by a subjective factor, namely mutual arrogance, which ruled out any concessions, and aimed to achieve the goal at any cost. The relations reached an impasse.

Share of Asian countries in world GDP



0.2. In the past decade, the world has undergone more and faster changes than at any point in history on such a short notice. All these rapid transformations impact the setup of forces, economic and political influence of both parts of Europe (Russia and the European Union), and change their positions in the world irrespective of what they do. Following are what we believe the key parameters of these changes.

0.2.1. An unprecedented fast change of the correlation of economic power. A new “age of Asia” is unfolding in the economy, and “a political age of Asia” is likely to follow.

0.2.2. The United States, the largest power of the modern and future world, is invariably shifting the focus of its economic and political attention towards Asia and the Pacific Ocean. It is successfully “fastening” itself to the locomotive of Asian growth, and its ultimate objective is to harness it.

0.2.3. In parallel with the trend towards a multi-polar world order, or, rather, within it, there

Western Europe, the U.S. and Russia had no politicians or thinkers of the magnitude of Winston Churchill, Charles de Gaulle, Dean Acheson, Helmut Schmidt or Robert Schuman, capable of taking a sober look into the future beyond a routine agenda

emerge conditions for a new system of global governance based on the China-U.S. diarchy. Despite several objective prerequisites for such a system, it will be essentially unstable, due to the narrowness of its foundation – the incompatibility of the partners’ political cultures and systems. The instability of the system, based on such internally contradictory diarchy, will become a great challenge for the world community.

0.2.4. The sweeping climate change is reconfiguring the usual habitat and the population and productive forces patterns. A period of mass migration seems to be close at hand.

0.2.5. Climate change and the new industrial revolution in particular result

in a tougher competition for natural resources, water, food, and – consequently – territory. Assuming various shapes, this rivalry will be gaining momentum.

0.2.6. Apparently, there has begun an inevitable proliferation of nuclear weapons (regulated by joint efforts at best). Israel, India, Pakistan and

North Korea have come in possession of nuclear arms. Iran is next in line.

0.2.7. International security is facing new challenges, such as international terrorism, cyber crime and piracy. The real impact of these threats is unclear however, as some fears as of the early 2000s were overestimated.

0.2.8. The old international governance institutions — the UN, WTO, IMF, NATO, the Organization for Economic Cooperation and Development and the G8 — have been weakening, while the new ones have been developing too slowly. The G20 remains a convenient floor for discussions, but it is not becoming a prototype of the world governance body. The gap between the increasingly integrated globalizing economy and the sovereign political governance is widening.

0.2.9. The role of a nation-state and regional blocs is reviving to the detriment of the authority of multi-party supranational bodies and institutions. It seems the European integration project is unique at this point in history, but its strength, too, is undergoing rigorous testing.

0.2.10. Wavelike tensions that largely stem from the backwardness of many countries of the Muslim East, continue to grow along the line of the “conflict of civilizations.” The situation is aggravated by the expanding security vacuum in a number of regions, especially around the Persian Gulf and the Middle East.

0.3. The humankind has been unable to fully comprehend or adapt to such sweeping changes. Many wish to keep the status quo, using old pat-

terns and ignoring the reality. A sort of “intellectual vacuum” is ubiquitous, but it is particularly obvious in Europe, the acknowledged leader of intellectual development in the past centuries.

0.4. Against this background, Russia and the European Union (due to various reasons and with various dynamics) are losing their opportunities for building up their power and influencing the world in their interests. Hence they are losing international weight.

0.5. Furthermore, the Euro-Atlantic space, including the former Soviet Union and the “Old” West, remain split, although not as profoundly or antagonistically as during the Cold War, which, in effect, has never fully ended.

0.6. In the 2010s, Russia and the EU, and the Euro-Atlantic space on the whole, again have a chance for unification, and this chance is likely to be the last.

0.6.1. Following are the positive prerequisites for unification:

- common history and geographic and cultural proximity;
- complementarity of the economies;
- completion of the cycle of relations that began in 1991, and the possibility to meet each other halfway in the markedly new situation;
- the obvious advantage from broadening the common market and dramatically increasing the aggregate human potential which is now growingly insufficient in both parts of Europe.

0.6.2. Yet the main prerequisite is negative. Separately, Russia and the European Union are destined to be second- or even third-rate players in the new world.

Separately, Russia and the European Union are destined to be second- or even third-rate players in the new world





- Europe is likely play the role of a “global Venice,” as a scenic, comfortable but fading sanctuary, a monument to the old grandeur.
- Russia is on the way to become a raw-materials — and, possibly, agricultural and later political — backyard for the rising Asia (rather than Europe). The remaining arsenal of strategic missiles will serve rather as a reminder or the old might than a real political instrument.

o.7. At stake is the most important thing, namely Europe’s future sovereignty and its capability to promote and defend the interests of the citizens of the member countries, all the Europeans. An optimal, if not the only answer on the part of Russia, the European Union and other European

states is to establish an Alliance of Europe — a new association of states in the territory from the Atlantic to the Pacific Ocean. The rules of conduct and the members’ cooperation mechanisms, based on a single cultural environment and able to adapt to even the most revolutionary changes in the international environment, should become its crucial element.

o.8. If both parts of Europe do not come up with a strategy for co-development within the next five years and fail to build groundwork of the proposed Alliance of Europe within next decade or so, their international political influence will most likely be doomed to degradation, while the notorious scathing metaphor, “the decline of Europe,” will materialize.

1. An Attempt of Political Fantasy: What Would We Gain If We Had Not Lost the Historical Opportunity

1.1. If Russia and the European Union took a consolidated position in the international political and economic arena in 2010, they would

- be treated not as “declining values” but a real third largest – in terms of power – player in the future world. This would dramatically expand the opportunities in the promotion of their mutual or individual interests even now;
- be in the process of forming a “New Big Three” with China and the U.S. to govern the world economy, and contribute to the filling of the general vacuum of governance;
- be able to promote, through the G20, IMF and World Bank, the new rules to regulate financial markets, exercising a much tougher control over the operation of financial players;
- have the UN Convention for the Suppression of Acts of Nuclear Terrorism come into force, in close cooperation with Barack Obama’s administration, and amend the UN Convention on the Physical Protection of Nuclear Material;
- participate in formulating final documents of the UN summit on climate change in Copenhagen and be instrumental in making them binding;
- transform the G20 meetings into an effective mechanism of international economic regulation and an instrument of promoting their vision of the global financial architecture;
- prevent the most negative consequences of the economic crisis for Eastern Europe, the South Caucasus and Central Asia;
- prevent the crisis in the Caucasus in the summer of 2008; there would have been no conditions for it to break out, and nobody would have dared to provoke it;
- find a more effective and less sanguinary solution to the problem of the Taliban, than the ongoing ruinous and disadvantageous ground war in Afghanistan that is unpopular in Europe and increasingly resented in the U.S.;



- avoid rivalry in the field of energy that is weakening the positions of Greater Europe in the global competition. When the largely commercial problem became over-politicized, it very nearly assumed a military-political aspect, essentially absurd;
- avoid the ridiculous virtual rivalry for the potential resources of the Arctic region. Instead of politicizing it, they would already be developing, together with other states, a strategy of commercial development of the northernmost territories in the interests of the humankind;
- prepare dozens — if not hundreds — of thousand students and specialists who easily understand each other, as they have brought up within one cultural milieu — political, humanitarian and administrative;
- establish visa-free travel, which would enable them to considerably expand the network of friendly and family relations and business contacts. They would link the European space with millions of additional ties;
- be able to develop a common understanding of how “indigenous” people should conduct their integration policy regarding the flow of immigrants from the South — the acute problem, that the EU nations face, and Russia has already started to face;
- work jointly on formulating a new mission for NATO. This bloc would not be tossing around in search for legitimacy, but serve as a starting point for building a new security system. Russia’s participation in NATO or close coop-

eration would be a guarantee that this body does not have the features of a closed military union, and consequently, does not pose a threat to third countries, above all to China;

- become a key participant in the solution of the Iranian nuclear problem, as an influential mediator with economic and political instruments to influence Tehran;
- find a long-term solution to an escalating “Turkey problem”. The integration of Turkey as a fully legitimate member of the proposed Alliance of Europe would help to avoid the trans-

formation of a traditionally pro-Western orientation of this nation towards nationalism, which was fostered by a deep dissatisfaction for the decades of being kept in the “outskirts of Europe”.

Russia, the European Union and the countries sandwiched between them would have gained from a joint development project

1.2. The objective to create the Alliance of Europe would alter the vector of Russia’s political and economic development, making its society more civilized and law-abiding. The Europe- and modernization-minded part of the elite would have more influence than the elites seeking natural rent and foul profits. Besides, the social and political transformation of Russia can not be considered a prerequisite or a condition for a rapprochement with Europe. Such prerequisite, instead of strengthening “European” basis in Russian society, will inevitably transform the necessary (and unavoidable) measures for democratization and modernization of Russia into the area of diplomatic bargain with the foreign partners.

1.3. If the EU had opted for a union with Russia, it would not have to make haste to admit new





countries that did not fully qualify for membership. It might not have needed to prematurely assert its common foreign policy line. In practice, it only weakened the EU positions — both in Europe and elsewhere in the world.

NATO; a new European Security Treaty which Moscow is promoting; or special provisions in the Treaty on the Alliance of Europe stating mutual commitments to maintain and develop joint or collective security.

1.4. It might have been possible to avoid the debilitating rivalry for former Soviet republics. Russia, the European Union and the countries sandwiched between them would have gained from a joint development project. Belarus would have been more democratic, while Ukraine would not have lost five years on its “orange revolution experiment.” Had it not been for the Russia-West rivalry, Moldova would have long become a federative republic. There would have been definitely no war in South Ossetia, or the final dismantling of Georgia’s territorial integrity. The Kosovo problem would have been resolved differently, too.

The lack of political will to formulate a common position by overcoming prejudices and arrogance blocks their capability for attaining even the most modest goals. The time of tangible losses from Europe’s split, about which Russian and European experts warned repeatedly, has already begun

1.7. Obviously, The Alliance of Europe would not interfere with the European allies’ maintaining or developing special relations with the U.S. However, a logical addition to the Alliance of Europe for Russia would be special relations with the United States in the military-strategic field as well; the approval of Russian-European

alliance on their part is a crucial condition of the success of the Alliance. For the USA itself the atmosphere of trust in the territory from Atlantic to Vladivostok and political and economic stabilization in Europe and Asia is essential to solve the whole range of acute problems, which the survival of America in the XXI century depends on.

1.5. An acceptable to all solution of the issue of Turkey’s European aspirations, of creating a stable model of cooperation with African nations — the “soft underbelly” of Europe and the source of illegal immigration, that overruns the boundaries of the Old World, would be possible within the framework of the Alliance of Europe. Kazakhstan, which is in a difficult geo-political, social-cultural and civilizational situation, could find a comfortable niche in such an Alliance.

1.8. Obviously, the extremely desirable strengthening of partnership between Russia and China and Russia’s necessary partial economic re-orientation towards the rising Asia should not pose a threat for its Western neighbors. The alleviation of this potential threat as well as the concerns about potential hostility of Russian-Western rapprochement towards China might be facilitated by the active participation of not only Asian nation, but also Europe and the USA in the new development of Siberia and the Far East.

1.6. The outline for the Treaty of the Alliance of Europe which we propose hereby could be supplemented with various security architecture options: Russia’s membership in a renewed

1.9. Should the Alliance of Europe, as a symbol of mending the vestiges of the military-political split, materialize, the Europeans would not be talking

with regret about the decline of the Age of Europe and the beginning of the Age of Asia. A grand era of the unification of two great civilizations would begin — the European and the Asian ones — into a global community, where the participants would complement each other and enrich each other in a peaceful competition. Despite the numerous predictions about the inevitable confrontation between the West and the East (not ideological, but cultural and geographical now), there is a unique opportunity to build such a world order as to enable the traditional West, Russia and Asia to benefit from cooperation, not from rivalry. But this should be a truly new order, based on regard for the opinions and interests of the rising players, not an updated version of the 20th century.

1.10. The period of 2000-2010 could have become the time of a marked strengthening of the role of

international institutions and the prevalence of a multilateral approach to the solution of the most important problems of the world economy and politics. This approach is based on the method of coordinating the interests of all the participants in the process that is traditional for Europe and its integration practice. It makes it possible to achieve results resistant to negative impacts from the outside.

1.11 The interests of Russia and the EU largely or fully coincide in all the above issues. The lack of political will to formulate a common position by overcoming prejudices and mutual arrogance blocks their capability for attaining even the most modest goals. The time of tangible losses from Europe's division, about which Russian and European experts warned repeatedly, has already begun.

2. Russia and Europe in 2010

2.1. General Assessment

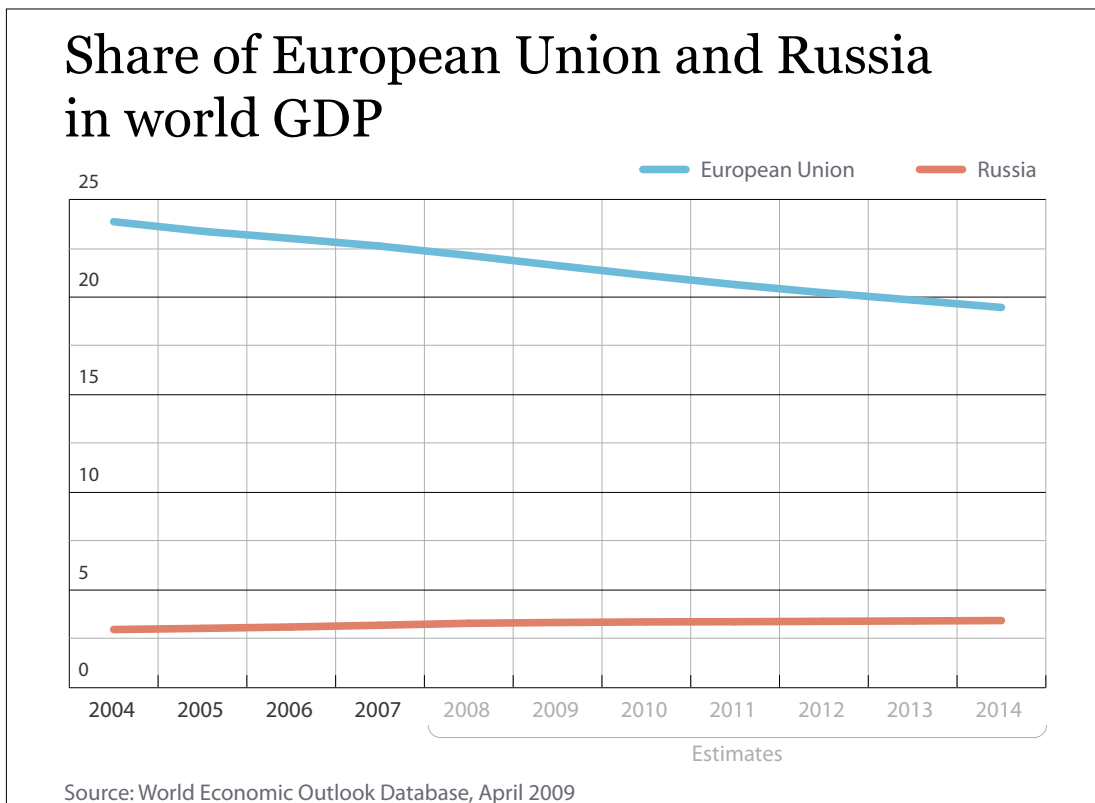
2.1.1. The present-day situation for Russia and the European Union is marked by a long-term trend of losing their weight in the global economy and politics, which is determined by the combination of a wide range of factors:

- an insufficiently effective economy that is lagging behind in the field of science and technology (particularly in Russia),
- high administrative barriers to business (mostly in Russia); a diminishing population; and,

in a not-too-distant future, a decrease in the quality of able-bodied population (this applies both to Russia and the EU),

- an insufficiently dynamic labor market policy and a sclerotic social policy (particularly in the EU),

2.1.2. The negative trends in internal development show themselves against the background of the increasing global competition and a rapid growth of new centers of power, above all in Asia. In case of Russia, the problem is



exacerbated by the de-modernization of the economy and society and rampant corruption which will lead to weakening its international political positions, despite some obvious successes scored in foreign policy. However, even in the event of a hypothetical and very unlikely capability of Russia and the EU to address their internal problems on their own, any attempts at their sole leadership in the modern conditions are doomed to failure.

2.1.3. Due to structural reasons and the general “historical fatigue”, the European Union is rapidly turning into a weak player in the international political arena. Compared with other large players, the EU is unable to convert its large economic power, the social and cultural attractiveness and the contribution it makes to global welfare and stability into political influence or leadership. The EU is focused on its own affairs — institutional reforms, modernization, etc., which are implemented too slowly or make no headway. Having achieved at one point the state of “the end of history” on the regional scale (unique in world practice), the EU integration process is entering a phase of prolonged stagnation. This further diminishes Europe’s ability to resist external challenges.

2.1.4. Russia, which is a more powerful strategic and political player, leans on an obsolete, narrow and shrinking economic basis. Due to the relative economic weakness and the tendency towards de-modernization, it gradually begins to retreat from its positions of the world’s third most powerful political player. The downturn apparently began in 2009, when its aggregate

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strength gained during a period of rehabilitation in the 2000s started to diminish.

2.1.5. The persisting split in Europe is among the reasons behind the relative decline of its role and weight on the global political scene. The structural instability in the region is the most important internal problem, which the European countries have been unable to resolve after the collapse of Communism and the breakup of the bipolar system. It is the heritage of the previous historical periods that was aggravated by the increasing political differences between Russia and the European Union in the 2000s.

2.1.6. The huge differences in the parties’ interpretation of values and interests contribute to the low level of trust and bring their relations to a conceptual deadlock. The present-day model only makes an insignificant contribution to enhancing the economic and political competitiveness of either partner. Moreover, there is an irrational and disadvantageous rivalry between Russia, which is becoming increasingly backward economically and socially, and the EU, which is getting more and more marginalized in a broad international context. The irrationality of this rivalry is visible not only to the allies, but also to the rivals of Russia and the EU.

2.1.7. Admittedly, the threat of relative marginalization which both Russia and Europe have encountered for various reasons is similar to the challenges faced by West-European countries in 1945. In a not-too-distant future, both partners are likely to find it hard to assert their identity in the international arena.



2.2. Russia and European Union in the World

2.2.1. The current position of Russia and the European Union in the global economy and politics can be characterized as vulnerable, compared with other large players, such as the U.S., China or India, while in the near future they might develop a similar weakness with respect to East-Asian countries and Brazil. An important reason behind the vulnerability is the high dependence of the whole of Europe on external economic, political and demographic factors. The opportunities and potential of Russia and the European Union's positive influence on world events are extremely limited; their influence in other regions of the world is rather residual, and continues to diminish.

2.2.2. Russia and the EU are facing common challenges: the loss of leadership in technology, illegal migration, terrorism, organized crime, cyber crime, climate change, and the conflict of civilizations. Their strategies in the international arena remain largely competitive, but this competition is almost entirely subjective. Objectively, Russia and the EU are not rivals in the global economy and politics. They produce different public benefits and should complement each other rather than compete. Furthermore, in the modern conditions, only by pooling capabilities Russia and the EU can prove to other centers of power that their aspirations to the leading position in the world are justified.

2.2.3. The prejudices that piled up over centuries and especially during the Cold War are the main hindrance to Russia-EU relations, together with two decades of differences in expectations. Russia is under a delusion that

it might join the community of Western states without serious internal changes, while the EU hoped that Russia would be able to develop by assimilating Western norms as an inferior junior partner. This resulted in a serious mutual disappointment.

2.2.4. An almost ritual competition for influence on former Soviet republics makes things worse. Russia was trying to make the territory of the former Soviet Union the zone of its exclusive influence, without investing serious resources into it. The EU, too, was trying to prove the viability of its "common foreign policy" in this territory, without sacrificing resources. And even if Russia did gain more points in this "tug-of-war," as we see it, it was a loose-loose game. Russia and the EU both lost. Yet the countries and the people for which they waged a virtual struggle lost even more.

2.2.5. Russia and the EU come out as consistent supporters of a tighter government (public) control over financial and other markets. A relative proximity of administrative structures and traditions makes the common Russian-European approach a more feasible task than forming a joint agenda together with other global players. Aside from that, Russia and the EU hold compatible views regarding the efforts that should be made to address the climate change problems and environmental issues.

2.2.6. However, Russia and the EU cannot offer the world a consolidated and responsible agenda in all these fields as yet. Hence their international prestige is falling, while the values shared by the Greater Europe — above all, legal principles to regulate international relations —

The opportunities and potential of Russia and the European Union's positive influence on world events are extremely limited

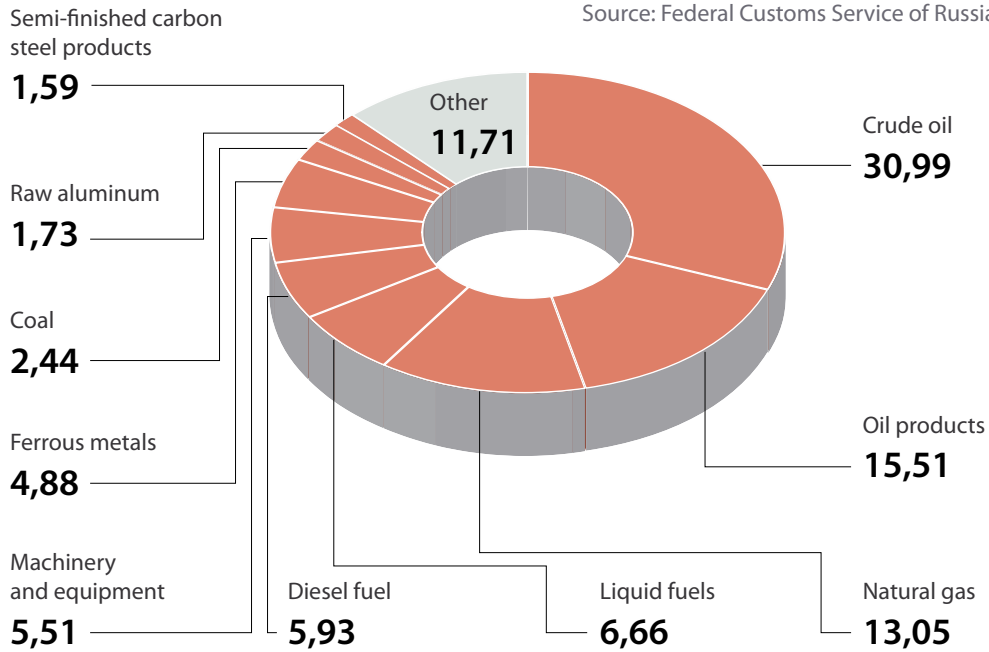


Main exports of Russia and EU

R U S S I A

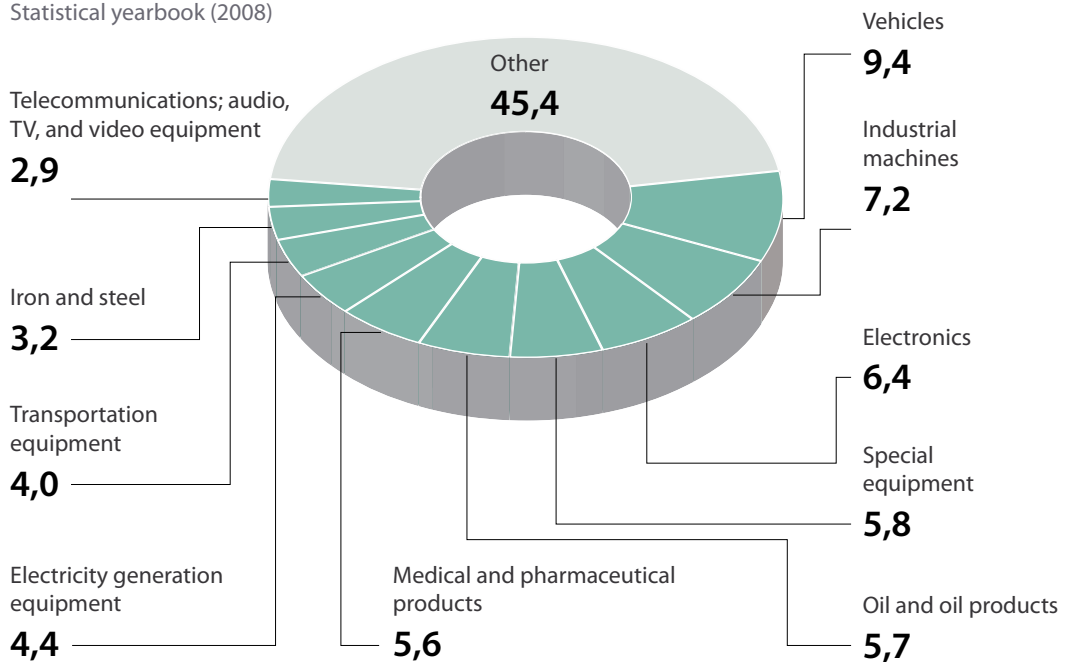
%

Source: Federal Customs Service of Russia, 2009



E U R O P E A N U N I O N

Source: External and intra-EU trade. Statistical yearbook (2008)



are being washed out from the global economy and politics.

2.2.7. Europe-based international institutions and political/legal mechanisms cannot resolve the key international security tasks (as history showed in 1999 and 2008). None of them can provide reliable guarantees from a direct armed conflict between the states, or give them the instruments of effective interaction to overcome the most acute global problems, including the rebuffing of non-traditional threats and challenges.

2.2.9. The European institutions and mechanisms are losing their appeal as instruments for ensuring national security and promoting foreign policy interests of the key countries of the region. The dynamic transformation of international environment, new global and cross-border challenges and the appearance of new players in the international arena make Russia and the EU more vulnerable. Russia and the U.S. are sidelining the European direction in their foreign policy. Europe has long ceased to be China's priority. The only alternative to joint work on overhauling the existing institutions or mechanisms is further degradation.

2.2.10. In the medium term, Russia and the EU might have to address one more challenge — a new shift in the U.S. foreign and domestic policy after a possible failure of the democratic administration's attempts to arrange a system of "America's benevolent leadership" in world affairs. Regardless of which administration the U.S. has, Europe will not be the main partner or vector in Washington's foreign policy. It has

been increasingly dismissive of Europe's opinion in formulating the global agenda.

2.2.11. Although Russia keeps nuclear missile parity with the U.S. (which is an important factor), it cannot expect that its interests will be fully taken into account, foremost in the economy. New formats for coordinating the interests of Russia and the new centers of power emerge, such as BRIC, but there is no guarantee that Moscow's new allies, particularly China, will be consistent in promoting it as a full-fledged participant in the Big Three.

In general, the emerging competition between Russia and the EU for the place of the third largest player in the new economic, and possibly, political U.S.-China bipolarity is unlikely to yield positive results.

2.3. Inside

2.3.1. Russia and the European Union are not going through the best of times in their history.

2.3.1.1. The Treaty of Lisbon provided constitutional principles to the EU, as well as international legal capacity. The European Union is ahead of others in pulling out of the crisis; it has proposed a number of advanced initiatives concerning climate change, alternative sources of energy and regional development.

2.3.1.2. However, among the most acute problems of the EU are its amorphous political leadership, imbalanced economic development of the member-states and unequal contribution

The dynamic transformation of international environment, new global and cross-border challenges and the appearance of new players in the international arena make Russia and the EU more vulnerable



EU donor nations



to the common budget: of the 27 countries, 21 are net recipients. This leads to an escalation of political tension. There are numerous violations of the Stability and Growth Pact which are threatening the euro; the EU remains split over the policy in Iraq, Afghanistan and Kosovo. Several key research projects, such as Galileo, have been delayed, and brain drain persists.

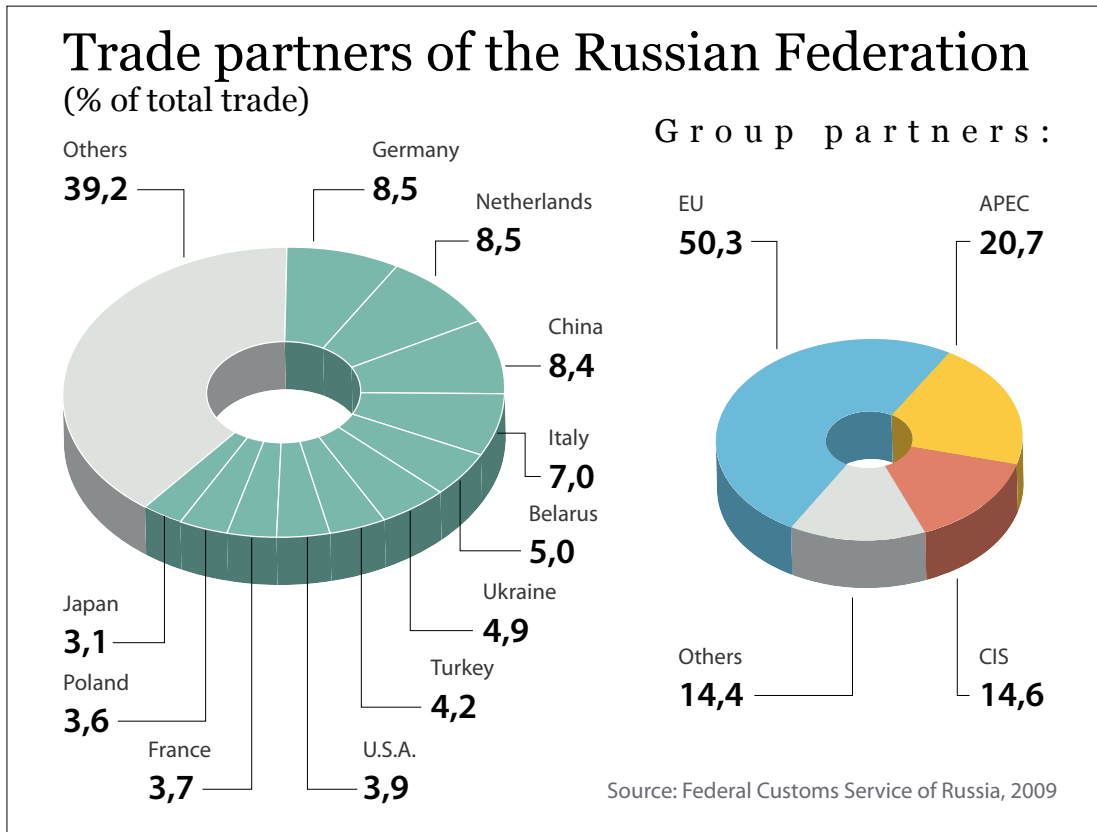
2.3.1.3. Most likely, the European Union is again developing “eurosclerosis,” akin to a period in the late 1960s–early 1980s. The admission of a large group of countries with a different political cul-

ture and relatively weak economies, the change of political generations in Western Europe and equivocal institutional reforms have resulted in a relative downfall in the effectiveness of European integration mechanisms.

The emerging competition between Russia and the EU for the place of the third largest player in the new economic, and possibly, political U.S.-China bipolarity is unlikely to yield positive results

2.3.1.4. One of the key factors indicating that the EU is in the doldrums is the advance of national priorities and interests of the member-states to the foreground – to the detriment of the real opportunities and authority of the European institutions in Brussels. The European Commission is turning into a bureaucratic body,

European institutions in Brussels. The European Commission is turning into a bureaucratic body,



devoid of taste and capability to show a strategic initiative, while the European parliament is an ineffective institution, vying for additional authority. However, the efforts to re-nationalize the European policy have been unsuccessful so far. Major European countries meanwhile are trying to restore their prerogatives of power, but their hands largely remain tied by the “solidarity” among the dependants. This policy has created a stalemate.

2.3.1.5. At the same time, if we rule out extreme scenarios, the regulative activity of the EU institutions will increasingly influence the realization of

Russian companies’ interests, not just on the EU markets, but also elsewhere, by the ex-territorial use of the competition law.

2.3.2. For its part, Russia cannot be as yet viewed as a charismatic full-fledged world leader either. It has an imperfect and instable legal fold and is faced with very serious law-enforcement problems and profound corruption within the state machine; the extensive use of natural resources is undermining its export potential. Obviously, the creation of innovatory forms of relations will require efforts to alleviate these hindrances, extensive parallel activity of Russia and Euro-



pean Union to enhance their compatibility and mutual attractiveness altogether.

2.3.2.1. Russia's resurrection from the crisis has been painful and late; the authorities' anti-crisis policy is unconvincing, while the long-awaited attempts to diversify trade towards Asia are centered around the prevailing share of raw-materials in exports. Despite the economic growth of the past years, Russia remains a technologically backward country. It has no unified domestic market, and, in effect, is not a world trade power, because it has no niches on the markets of Asia, Africa or Latin America. Furthermore, it is not a WTO member.

2.3.2.2. In the economy and politics, despite the ritual, although comforting as well, talks about modernization, the opposite trends still prevail. The public morals are degrading. It is hardly possible to completely overcome the technological degradation amidst mounting political stagnation. No internal incentives have been created for a new breakthrough towards modernization as yet; there has been no progress in the creation of civic society

2.4. In Bilateral Relations

2.4.1. Despite certain achievements made over the past 15 years and an extensive network of institutional and legal ties, the Russian-EU relations are stagnating. Sixteen years after the signing of the partnership and cooperation agreement (1994), the Russian-EU partnership has

become an acknowledged fact. However, this does not apply to the parties' ability to launch real cooperation, such as joint political or economic decision-making and putting these decisions into practice.

The European Commission is turning into a bureaucratic body, devoid of taste and capability to show a strategic initiative, while the European parliament is an ineffective institution, vying for additional authority and sheltering marginal political groups

2.4.2. The implementation of "the road maps" to move towards common spaces has stalled at the initial stage. Many dialogues have been launched, and the parties have set up working groups and negotiating platforms. All these institutions and practices enable them to

better understand each other, establish personal contacts and maintain the atmosphere of cooperation. However, they largely have a "get-to-know" value, they do not make decisions, nor do they contribute to their implementation. On the whole, the parties have no mutual understanding of what these common spaces should be, while their practical policies oppose the common spaces in their essence. What Russia and the EU have in common are the attempts to capitalize on certain achievements of the dialogue at each other's expense.

2.4.3. The discussion of the "Partnership for Modernization" project, despite its positive potential, shows the difference in the parties' vision of the objective. For Russia, it is technological modernization or modernization of the entire system of relations with the EU, as well as joint development mechanisms, including cooperative and future-oriented models of interaction in the post-Soviet space.

2.4.3.1. The European Union still believes that it should focus on the Russian economy, society





and the political system in order to raise them to “European standards.” Despite its clearly positive objectives, “Partnership for Modernization” may turn in just another empty slogan as it is unable to break the general tendency of alienation of these two parts of Europe. The main obstacle is that it not only interpreted differently, it does not involve the key mutual interests of Russia and the EU. The latter is not so much interested in Russia’s modernization, while Russia can now get increasingly more capital and technology from other parts of the world, including from the East — even though this technology was initially created in American or European research centers.

2.4.4. This approach is based on the thesis that the condition of Russia-EU relations is a derivative of their domestic development. At the same time, it is necessary to understand that the EU’s transformation potential with respect to its partners after completion of the enlargement process has mostly been exhausted (a possible enlargement to one or two Balkan countries or Iceland does not change the situation). Since the European Union cannot offer full-fledged membership to Russia, its ability to make an extensive influence upon the Russian development is limited, and continues to diminish as the EU loses its weight in the international economy and politics.

2.4.4.1. There is no doubt that Russia needs to adopt advance technological standards, enhance the level of information openness, build a law-governed state, and curb rampant corruption.

But the didactic tone and double standards which the EU used on Russia before and the wish to interfere into Russia’s internal affairs can only estrange it. A rapprochement can occur only when the Russian elite and society get a real stimulus to move towards European values and standards, that is, a common goal of co-development.

It has an imperfect and instable legal fold and is faced with very serious law-enforcement problems and profound corruption within the state machine; the extensive use of natural resources is undermining its export potential

2.4.5. The institutional and legal basis of Russia-EU relations that has taken shape in the past years has undoubtedly helped them gain an invaluable experience in coordinating interests, and made an important contribution to their efforts in working out an

understanding of the objectives, goals and preferences within the framework of cooperation.

2.4.6. However, the input from the Russia-EU joint institutions, mechanisms and practices has been a stable inertia so far. None of the existing formats of Russian-EU administrative interaction has yielded concrete positive results over the past 15 years. Russia is increasingly resentful of Brussels as a potential mouthpiece of the consolidated European approach. The irritation and even dismay at the ineffective interaction with the European Commission results in Moscow’s placing more and more bets on the rapprochement with nation-states. There appears the danger of the fragmentation of Russia-EU relations, their further nationalization and the ousting of the value element.

2.4.7. Partial sovereignization of relations, i.e. more vigorous cooperation between Russia and individual EU members is a sort of an insur-



ance policy. The economic and political interaction between Russia and EU countries is an integral part of the Russia-EU relations. This interaction should not be an alternative to the dialogue between Moscow and Brussels, but supplement it. However, due to the ineffectiveness of interaction with the European Commission, this dialogue is increasingly becoming such an alternative.

Approchement can occur only when the Russian elite and society get a real stimulus to move towards European values and standards, that is, a common goal of co-development

As a result, both the European Union and the general effectiveness of interaction are making losses. To achieve tactical goals, Russia is obviously weakening the EU. Since they lack a common strategic goal of co-development, Moscow is not particularly worried about its partner's problems. In actual fact however, the weakness of the European partner strategically weakens Russia.

3. The Price of Stagnation

3.1 General Assessment

3.1.1. The assessment of the current situation in relations between Russia and the European Union makes a stagnation scenario of their development the most probable so far. Dialogue between Moscow and Brussels will become increasingly formal, against the backdrop of broadening economic, trade and, in some spheres, political ties between Russia and individual EU members.

3.1.2. Simultaneously, Russia will likely try to implement a strategy of multi-vector foreign and foreign-economic policies by strengthening ties with China and other growing centers in Asia. The EU, in turn, will make attempts to regain the role of the main junior partner of the United States, but this policy promises fewer and fewer dividends.

3.1.3. The stagnation of joint institutions and formats of Russia and the EU will bring about serious difficulties for corporations of partner countries, which will find themselves trapped between incentive measures taken within the framework of bilateral relations between Russia

and EU members and restrictive measures taken by the European Commission. The declining quality of the Russia-EU parliamentary dialogue will add to the reduction of mutual trust.

3.1.4. The persistence of existing trajectories of internal development and international positions for the coming 10 years would relegate Russia and the European Union to a lower quality level, making them into players of the second or third league of world politics and economy.

3.1.5. However, even that situation would be difficult to stabilize. The continuing gap in economic development, as well as competition from the U.S. and new centers of power will further degrade the status of “Greater Europe” as an international actor and will turn it into an object of influence and competition of outside forces.

3.2. In International Politics and Security

3.2.1. The continuing regionalization of the world, the reduction of capabilities of global



institutions in which the EU and Russia are active, and the transition of the practice of addressing major issues and problems to the bilateral or regional level will oust Russia and the European Union from the space where serious international political and economic decisions are made. This is already happening, and particularly fast, with the European Union, as was graphically demonstrated by the UN Climate Change Conference in Copenhagen.

3.2.2. The ability of Russia and, especially, the EU to influence the main parameters of ensuring their own security will degrade, as well. In the field of the reform of European security institutions, one can expect the implementation of a “minimum program” or even “zero program” — namely, an insignificant extension of the OSCE’s formal powers, mainly in addressing “frozen conflicts”, and a minimal modernization of agreements on the limitation and reduction of armaments. A serious reform of the OSCE is most likely unfeasible, and the “Corfu Process” is nothing more than just another diplomatic talking shop, which is unable to produce essential results, even for institutional and structural reasons.

3.2.3. An exclusion of “hard security” issues from the OSCE agenda would result in their ineffective regulation between Russia and the U.S., between Russia and NATO and, possibly, between the Collective Security Treaty Organization and NATO. The latter option would be especially pernicious because it would trigger a final division of Europe and revive a bipolar security system, even though in a reduced and weaker format and not directly confrontational. Any forms of joint participation of countries of “Greater Europe” in addressing the most press-

ing global problems would have to be forgotten then, which would most adversely affect their ability to participate in the solution of such problems as combating the proliferation of weapons of mass destruction, stabilization in the Greater Middle East, etc.

The stagnation of joint institutions and formats of Russia and the EU will bring about serious difficulties for corporations of partner countries

3.2.4. In the longer term, a transition to the position of a junior partner of China will become a reality for Russia. There is a probability of the practical implementation of the

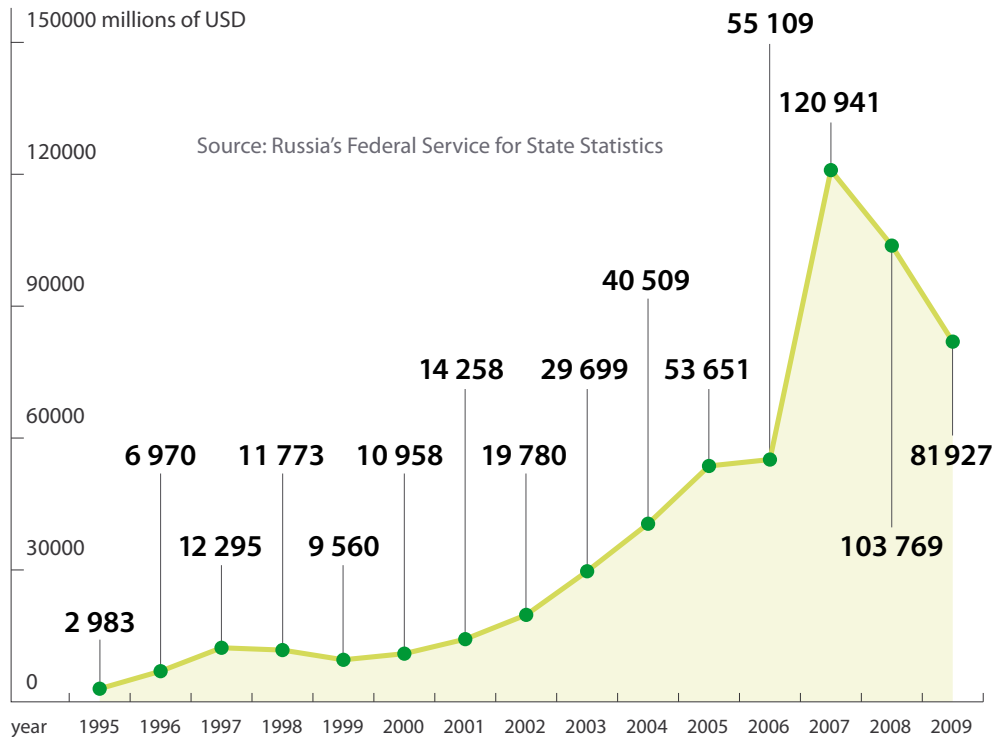
“Eastern alternative,” which has emerged in the last few years, replacing Russia’s civilizational and economic orientation to the West, primarily Europe, which prevailed for centuries.

3.2.5. The process of the EU’s becoming a “larger Switzerland” or “larger Venice” will become irreversible; accordingly, the attitude of the leading world players to it will change. In the next 10 years, the EU may still remain a world donor of development programs, but their political and economic efficiency will tend towards zero. In addition, the European Union’s ability to act as an independent supplier of peacekeeping services will decrease as well.

3.2.6. In case of recurrences of the United States’ aggressive policies, which is likely to happen if a Republican administration comes to power, Russia and the EU will have to take a stand with regard to the new U.S. strategy. This may result in a re-militarization of relations in “Greater Europe,” their return into “the shadow of the Cold War” and an even greater division in the EU. If NATO makes another attempt to expand into Ukraine, there will re-emerge the threat of new direct armed clashes on European soil.



Foreign investments in Russia



3.3. In the Economy and Social Development

3.3.1. The EU and Russia will consistently lag behind the leading world actors in economic and technological development. Europe is already far behind the U.S. and major Asian powers in the development of the sixth technological mode, specializing largely in the development of medium-technology products. Attempts to create a high-tech economy in Russia will face not only serious obstacles inside the country, which per se are difficult to overcome, but also competition from U.S. and Asian countries.

3.3.2. The European Union's withdrawal into itself would not help solve major problems related to tendencies in demographic development and the lack of real possibilities for reforming social security systems. The need to maintain a high quality of life for the EU population will result in stepped-up sales of European companies' assets to foreign competitors and in higher dependence of European welfare on global processes. The "global Switzerland" will no longer be

able to influence the course and content of these processes.

3.3.3. For Russia, the stagnation of its relations with the EU would already in the medium term (five to ten years) result in relative reduction of exports, including industrial exports, and underutilization of the existing foreign-trade infrastructure. Russia is likely to lose tariff preferences in the EU.

3.3.4. The inefficiency of the contractual basis of cooperation will reduce the inflow of capital, technologies and managerial expertise to Russia and increase the number of cargo transportation routes bypassing Russia. In political terms, the discrimination of the Russian diaspora in the EU will continue, while attempts to support it will bring about repeated diplomatic conflicts. On the whole, the positions of advocates of a rapprochement with Russia will be eroded in the European Union, and Russia will be swept by anti-European sentiments.

3.4. In History

3.4.1. The loss by Russia and the EU of their positions of real players will deprive world politics of the leading carriers and protagonists of the legal nature of international relations. This structural shift will have the following consequences:

- general “de-civilization” of interstate political and economic relations;
- a decline of the role of multilateral mechanisms and institutions;
- the growing importance of military force and its comeback as the main regulator;
- further regionalization of the world and the growing importance of bilateral relations at the expense of multilateralism;
- the removal of the social component from international relations;

During the next 20 to 25 years, the world will already have to deal not with the presence of the factor of Russia and Europe in international politics and economy but, rather, with their legacy

- growth of protectionism and the number of trade wars;
- a relative destabilization of a substantial part of European and Asian continent, its transformation into the next subject of conflict of interests of China and the USA;
- an increased unpredictability of major international political decisions and general instability of the international relations.

3.4.2. During the next 20 to 25 years, the world will already have to deal not with the presence of the factor of Russia and Europe in international politics and economy but, rather, with their legacy. The remnants of this legacy will probably

be washed out by the second half of the 21st century.

4. Way to the Future

4.1. General Assessment

4.1.1. Russia and the European Union have limited internal intellectual, political and economic incentives for rapprochement and stable forms of cooperation. Europe is ceasing to be Russia's only (and, in the longer term, even major) partner, even as regards the perception of new knowledge and technologies. Russia cannot serve as a source of growth for the EU. A transition to real rapprochement will take political will and responsibility, which the leaders of Russia and the European Union do not have as of yet.

4.1.2. A strategic breakthrough in the parties' rapprochement will be hindered by lack of trust and historical complexes. The most crucial of the predictable hindrances will be a "values gap," which has been widening in the past few years. Although a country of European culture, Russia is not following the modern European development path. Democratic institutions are weakened, and drastic corruption of the bureaucracy undermines the rights of millions of people. The possibilities of the opposition groups are

restricted deliberately. A capitalism burdened by bureaucracy and corruption restrains business initiatives. Yet, it is clear that authoritarian tools have exhausted their potential. Although there is a probability of a temporary relapse to authoritarian rule, further development is only possible through liberalization. The question is how can it be achieved and how soon. Russia's democratic development will get a powerful impetus if the country discovers a real prospect for rapprochement with the European Union.

4.1.3. This rapprochement can be facilitated by a presence in modern Russia of an unprecedented level of personal freedoms and consumption and the formation of a numerous middle class. So far, it is largely satisfied with its position, but the limitation of its rights by the corrupt bureaucracy will make it increasingly restive.

4.1.4. The set of values now prevailing in the EU will not be invariable. In many ways, they are "post-European," that is, they differ from those that Europe traditionally was guided by. The inevitable weakening of the welfare state, caused by changes in the demographic structure



of society, and requirements of the external environment prompt a return to conservative values in politics and economy. The need to protect and transform the national-cultural identity of society in the conditions of an inevitable inflow of people representing other cultural and religious groups will be an essential factor that will influence the sets of values in Russia and the European Union. Russia and the EU should pool their efforts also in the face of the problem of integration of “New Europeans” in order to prevent the growth of xenophobia and chauvinism, for which there are prerequisites in both parts of Europe. The paradigms of both the traditional nation state and liberal multiculturalism do not provide an answer to the question as to how to ensure the development of Europe, while preserving its cultural identity, social harmony and economic dynamics. “Post-Europe” will likely return to classical Europe to some extent. Hopefully, Russia will return to it, too, as it departs from the identity of the “Soviet” 20th century and as it restores its European roots, from which it largely broke away at the beginning of last century.

4.1.5. Requirements of the external environment are the main and most powerful incentive for rapprochement. These requirements are now so serious that the issue of relative marginalization of both parts of Europe in the 21st-century world has already moved to the practical plane. This marginalization brings about ever new threats and security challenges, and the issue of elementary survival will arise over time.

4.1.7. Western Europe faced such a challenge after the Second World War. The integration breakthrough, which became possible in the

1950s due to responsible actions by the leaders of France and Germany, proved enough for the Old World to integrate into international relations of the Cold War era and lay the foundation for a dramatic strengthening of its positions after 1991. This resource has started to exhaust by 1997, when the Amsterdam treaty made provisions for the possibility of development of Europe in accordance with the “integration at different paces” model. The dramatic events of 2005 — the failure of the Constitution for Europe — has showed that in the beginning of a new millennium the integration resource is exhausted.

However, one of the predictable sticking points impeding a Russia-EU rapprochement is something referred to as a “values gap”

4.1.9. This project could be the creation of an “Alliance of Europe” based on the Greater Europe concept and open to all European states, irrespective of whether or not they are

members of the European Union. Such an Alliance would put an end to the continent’s division and the ongoing covert and overt rivalry which is detrimental to both parties. This would allow channeling the relations in a rational way and restoring historical justice. This refers to a 10-15year period. But a common goal for co-development is vital already now.

4.1.10. The first core of building a new community, whose goal of internationally accepted statutory codification might be implemented through a corresponding Treaty on an Alliance of Europe, not only formalizing the rules of conduct, but also obliging the parties to develop a mutual stance on the key international issues. An inevitable part of the Treaty should become a system of sectoral agreements — Road Maps promoting the freedom of access to the factors of the production of goods and services throughout the continent and their free circulation. The EU



and Russia cannot do this at once, as there are obvious natural constraints of their mutual openness. Free access can be achieved stage by stage during a transition period. Nevertheless, this goal must be formulated and codified in a Treaty on an Alliance of Europe. It will create a situation of political and legal certainty in Russia-EU relations and will set a vector for development inside the EU and Russia and for their bilateral partnership.

4.1.11. Free access to factors of the production of goods and services, based on common rules and norms, will also imply mutual access to natural resources and their means of transportation and distribution, and any technologies except for purely military strategic ones. Free movement of people, professionals and entrepreneurs, the freedom of the establishment and operation of companies, and the mutual provision of equal national treatment among businesses will be essential elements of free access. Naturally, it also requires a visa-free regime.

4.1.12. A single energy complex of Europe that provides for the cross-ownership production, transportation and distribution of energy can serve as the energy core of the Alliance of Europe. It could play the same role in creating a new Europe that once was played by the European Coal and Steel Community, the forerunner of the EEC/EU.

4.1.13. Another natural core of the Alliance of Europe could be the coordination of foreign and security policies among its members, the maximum possible support for each other's international political initiatives, Russia's support for the enhancement of the EU's international

political status, joint efforts to ensure secure development of countries of the former Soviet Union, Turkey and possibly Israel, and then their invitation to join the Alliance of Europe.

4.2. Demilitarization of European Politics

4.2.1. It is necessary to set course for a final demilitarization of European politics, overcoming vestiges of the military-political division, and making international legal and political decisions required for that as soon as possible. The basis of Europe's division — its military-strategic division — must be removed.

4.2.2. Hypothetically, the solution to these problems could be in the accession of Russia and some other countries to NATO, the most influential institution seeking to

be the platform for a collective security system in Europe. This move would cause the bloc to revise the mechanisms, norms and practices of decision-making and work out an innovative approach to the issue of leadership. Such developments cannot be ruled out, but it will have many opponents. There are no serious military-technical obstacles to this option. Also, it will pose no danger to China, if Russia has a deciding vote in the bloc.

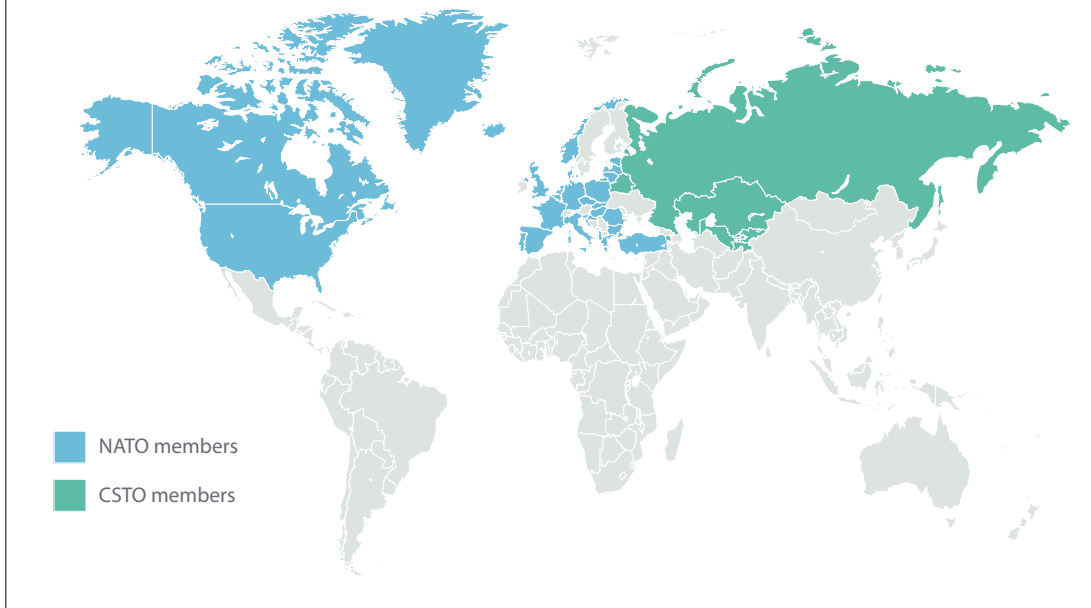
4.2.3. There is a Russian-proposed variant of signing a new European (collective) Security Treaty, or even a series of treaties that would finally put an end to the "unfinished Cold War."

4.2.4. Another option is including security provisions in the proposed Treaty on an Alliance of

It is necessary to set course for a final demilitarization of European politics



NATO and CSTO



Europe, which would contain mutual commitments and create a common security space in Europe. It would complement NATO and lay the foundation for real and trustful cooperation between Russia and the Alliance, thus ruling out its further expansion. Countries which remain outside security alliances but which have joined the Alliance of Europe would receive additional guarantees.

4.3. Modernization of Cooperation Institutions

4.3.1. Moving towards the Alliance of Europe, the parties must focus their efforts on a fundamental modernization of cooperation institutions. These should be really effective joint democratic decision-making mechanisms in the field of economic regulation in the territories of both partners. The idea to start monthly consultations between the foreign ministers of Russia and the European Union, proposed by German Chancellor Angela Merkel and Russian President Dmitry Medvedev during their meeting in Berlin in 2010, can serve as a prototype of a permanent mechanism for coordinating the parties' foreign policies. The parties, which now

maintain relations of diplomacy, must move from political, economic and transport diplomacy to cooperation.

4.3.2. The essence of a strategic, economic and political Alliance is the protection of similarly understood interests of one's partner as one's own interests and the concern about each other's citizens and businesses as one's own. The Alliance requires a complete and consistent renunciation of unilateral actions that may damage one's partner.

4.3.3. It is therefore necessary, within the frameworks of the Partnership for Modernization concept, to start establishing, as soon as possible, joint institutions with a right of legislative initiative at the level of Russia, the EU and EU member countries. Practical measures to harmonize the parties' legislation can be taken under the auspices of the UN Economic and Social Council and the UN Economic Commission for Europe.

4.3.4. The activities of these institutions will require substantial changes in the style of the work of the state civil machinery of all the parties involved. This implies full transparency, a universal transition to e-Government at all



levels, and unimpeded access for the population to state information concerning it. Highly professional and well-trained civil services of Russia, the EU and its member states, having the required interaction skills, must be a natural support and locomotive of the joint integration project. Russia, due to its unfavorable administrative traditions, is facing a particularly difficult task in this regard.

4.3.5. Agencies that will govern cooperation and partnership between Russia and the European Union should not be viewed as structures of intergovernmental interaction. They should be given a status, and procedures should be worked out, that would help to really regulate and direct the development of common spaces, that is, what would happen simultaneously in Russia and the European Union.

4.3.6. It is also necessary to establish joint information-analysis and research organizations intended to provide expert services to joint institutions and to monitor and analyze the results of their work. These organizations, funded by the parties to the future Alliance of Europe, must have extensive rights to obtain information and contacts with governmental bodies of the partners.

4.3.7. Key areas of the activities of joint Russian-EU institutions could include ensuring compatibility of the economic and legal integration in the post-Soviet space with the legal rapprochement between Russia and the EU, with the development of the EU's policy towards the parties' common neighbors, and the involvement of important players, such as Ukraine and

Kazakhstan, in the Alliance of Europe. Thus, the Commonwealth of Independent States, which is now viewed as a field of competition, can become a platform for applying not just concerted but joint efforts.

4.4. Principles of the Alliance

4.4.1. And finally, the parties must already now formulate a common vision of what principles (freedom of movement, shared decisions on key international issues, etc.) should underlie the Alliance of Europe.

4.4.2. To this end, the parties need to initiate a series of large-scale dialogues that would simultaneously involve representatives of state power bodies, businesses and the expert communities of Russia, EU member countries and other European nations. These dialogues must lay the foundation for a system of sectoral agreements, which will serve as a firm framework for the Alliance, based on a common political vision.

4.4.3. A qualitative renovation of the conceptual and institutional basis of relations between the parties would enable a transition to practical implementation of many mutually beneficial projects. These may include:

- completion of the creation of a pan-European communications system, and the organization of transit between Europe and Asia, with a parallel development of adjacent Russian regions;

Highly professional and well-trained civil services of Russia, the EU and its member states, having the required interaction skills, must be a natural support and locomotive of the joint integration project



- creation of unified framework programs of Russia and the EU and the reformatting of the European Research Area (including research in such fields as the human genome, nanotechnologies, energy conservation, and new-generation nuclear reactors) within the frameworks of the Alliance of Europe;
- joint construction of new “science towns”, incubators of innovations for the most crucial and promising areas of scientific and technological progress, and the creation of the most favorable conditions for the commercialization of new discoveries and inventions;
- joint funding of the creation of new institutions of higher education and the modernization of existing ones and their programs, as well as instruments of mobility of students and teachers across the continent;
- joint funding of a diversified program of support for medium and small-scale businesses, and the creation of a homogeneous space for commercial presence of investors and service providers on each other’s markets;
- synchronization of the power transmission and distribution systems of the parties to the Alliance of Europe, and their joint transition to digital television and new standards for mobile communications and informatics;
- coordination of macroeconomic, including anti-crisis, policies and the pooling of resources for implementing large-scale industrial and services projects;
- joint efforts to combat organized crime, financial fraud, illegal migration, and piracy;

The parties need to initiate a series of large-scale dialogues

- transition to a visa-free regime and the granting of “European company” status to Russian enterprises in the EU and vice versa;
- the establishment of military-technical cooperation and the scaling up of joint peacekeeping operations;
- the development of joint projects for implementation in third countries, including development assistance.

The list of projects is by no means final.

4.4.4. One can propose many other projects, but the most important thing in the proposed Alliance of Europe project is the

creation of a single human, economic and energy space; close coordination of foreign and security policies; the final overcoming of the division of Europe, of the legacy of the 20th century which was horrible for the whole of Europe; and joint struggle for positions in the future world that befit the great continent.

In this world, Russia and the EU are doomed to weaken if they act separately. This would be irrational and unreasonable and would contradict the greatest European value — belief in reason and rationality.

If we start moving towards the Alliance of Europe, the bright dreams of Fyodor Dostoyevsky and Victor Hugo about a united and peaceful Europe will come true, not the gloomy prophecies of Oswald Spengler. ■