



Russian Journal

STANDPOINT of the WEEK:

Yaroslavl-2009: A Forum for Post-Crisis World

SPECIAL ISSUE

weekly edition of the Russian Institute

issue #22(36)

September 21, 2009

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Fareed Zakaria: Sovereign states don't like being told things by outsiders



RJ You frequently participate in the most important international conferences. What is your opinion of the Yaroslavl forum? Was it a success?

I think that this kind of conference is a very good idea; it does not happen enough in Russia. If we compare Russia with China, China opened itself up to the world. It is up-and-coming, and bringing money, investment, ideas, and trade — everything. Russia has tended to be much more closed and the result is a much less modern society — not in terms of the airport here, but in mentality. There is simply much less exposure to outside thinking and outside ideas and trends.

RJ Do you think that it is possible to establish internationally acknowledged standards of the modern state — in terms of economic standards, political standards and standards of democracy — as proclaimed in President Medvedev's speech?

Fareed Zakaria is an American journalist and editor of *Newsweek International*. He is the host of CNN's *Fareed Zakaria GPS* and the author of several international bestsellers, most recently *The Post-American World* (2008. Russian edition: 2009, Europe publishing house). He was a participant of the international conference «The Modern State and Global Security» held recently in Yaroslavl. Fareed Zakaria's interview with Russian President Dmitry Medvedev taken right after Yaroslavl conference has been widely discussed in Russia.

Yes. I think that a modern state has certain characteristics and that those characteristics in my opinion tend to revolve around the proper rule of law. This proper rule of law as I understand it is not just about law and order or being able to bring criminals to justice; it's about creating a system of law in which everyone is equal and even the smallest person is treated in the same way as a person in a position of power. **That to me is the most important definition of a modern state, and everything else flows from this.**

To be continued p. 3

YAROSLAVL: BETWEEN DAVOS AND VALDAI



The international conference on «The Modern State and International Security» that was held on September 14th in Yaroslavl was a landmark event not only of the last week, but possibly of the whole year.

There have occasionally been skeptical overtones to comments on the Yaroslavl Forum, mainly of the opinion that it would struggle to become a Russian equivalent of Davos. But no matter how respectable and imposing the World Economic Forum in Davos has become, it was nevertheless unable to prevent the global financial crisis.

The tasks and objectives of the Yaroslavl conference were totally different. First of all, it was a gathering not so much of economists as of active politicians, political scientists and even futurologists. Secondly, the forum in Yaroslavl was held at a time when the consequences of the crisis had already wreaked havoc in all countries. The aims of the forum were therefore not of how to foresee or to prevent the crisis, but to determine what was to be done next.

It was the first representative gathering of five hundred experts of global renown, not only in Russia but globally, who aimed to discuss how states might go forward in the new post-crisis conditions rather than make any concrete decisions. **In the main, the Yaroslavl Forum addressed the problems and needs of Russia itself.**

The main objective of the Yaroslavl Forum was to develop ideas on how to build a modern state system in a stable and secure global context, on the basis of the collective opinion of global experts.

For this reason, the absence of a set of specific guiding solutions based on the conclusions of the mixed and sometimes even strange array of experts cannot be seen as a weakness of the Yaroslavl forum. On the contrary, it met its pledge to represent the opinions of the spectrum of global experts in its entirety. As well as the Russian president, conference participants included the prime minister of France, **Francois Fillon**, and prime minister of Spain, **Jose Luis Rodriguez Zapatero**.

The names of other forum participants who do not represent any state structures also speak for themselves. There were the renowned intellectuals, such as **Immanuel Wallerstein**, a social scientist and professor at Yale University; **Alvin Toffler**, a writer and futurologist; **Fareed Zakaria**, a political scientist and the editor-in-chief of *Newsweek International*; **John Neisbitt**, a writer and philosopher, and others as well. The speeches of many of these contributors are featured in this special issue of *Russian Journal*.

RJ editorial

MEDVEDEV GAVE A NEW IMPETUS TO THE DISCUSSION ABOUT DEMOCRACY



IGOR YURGENS

is the vice-president of the Russian Union of Industrialists and Entrepreneurs (RUIE), and chairman of the board of the Institute for Modern Development (IMD), which was responsible for the «Modern state and global security» international conference in Yaroslavl

The extent of public discussions on the issues of democracy in our country has risen since Dmitry Anatolyevich Medvedev was elected president of the Russian Federation. This is an evident fact. The period of stabilization, which was a logical occurrence given the history of the country, has somewhat run its course in the political sphere. **The initiatives that were offered by the president when he came to power were aimed at perfecting the Russian model of democracy.** Literally on the eve of the conference this found expression in the president's direct address to the nation with a number of questions and assertions that many people were either not ready to hear from the president. It was a rather acute estimate of the situation in the country and of what was to come. The conference is significant in the sense that, for the first time, the Russian internal political discussion was taken to the international level. Many of us will subsequently remember this conference as a certain milestone in the evolution of Russia.

Besides dwelling on Russia's internal politics,

we also need to consider the aspect of foreign policy. During the last year, the Russian position in terms of foreign policy has been, at best, controversial. 12 months ago saw the war in the Caucasus, which was followed by the Ukrainian crisis, and then there was Obama's visit and Biden's speech. On one hand, Russia is talking about its strong commitment to integration into the global family of leading powers. On the other, however, Russia has positioned itself rather strangely regarding accession to the WTO, having sent a letter to Portugal, the depository country, claiming that Russia was no longer a party to the Energy Charter Treaty. There is certainly apparent inconsistency in Russia's approach. Where is the synergy of signals for further democratization and for further participation in the global sphere? In which case is it related to dissatisfaction with the systems of global governance (and justly so), and in which case does Russia overstep a little or demonstrate insufficient friendliness to the outside world? We will search for the answers to these questions by listening to the conference participants. ■

SOVEREIGN STATES DON'T LIKE BEING TOLD THINGS BY OUTSIDERS

Continuing.

For beginning see p. 1

RJ *What international organizations would be responsible for controlling these standards if they were established?*

I think this is a very good question, but if the responsibility is handed to an international organization, then I think the issue of sovereignty would become an issue; **sovereign states don't like being told things by outsiders.** I think that there is a role for such standards, but they will have to be presented in the form of information — almost like a rating agency as it were — leaving it to states to make their own decisions. It is correct that this currently does not happen. The UN will never play this role as **the UN will always feel that sovereignty is too important.** They will never interfere with what is going on inside individual countries. Therefore, we maybe need a new organization, which defines good governance and rates governments on this basis.

RJ *What is your opinion on intervention as a way to force governments to obey the established standards of governance?*



I think that in general it is never good to intervene in another country's affairs. However, if we look at the example of Afghanistan, we can see that the country has basically been taken over by a terrorist group. What should be done when such a regime plans an attack like 9/11? I think that intervention is justified in such a case, but then there is an obligation to try to stabilize the country and leave it in a better situation than it was. Therefore, I would say that it is justified to intervene in extraordinary circumstances, but that it should be done very carefully and with international support. This support is necessary not only for moral reasons, but also for the

practical political reason that it is very difficult to stabilize such countries; as much support as possible will help in the long-term going forward.

RJ *What is Russia's place in the post-American world?*

The answer to this question will fundamentally depend on whether Russia can deal with the major strategic challenge that it faces, which is neither the US nor the missile shield, and not even Ukraine — it is in fact the creation of a modern economy, which Russia so far has not been able to achieve. In failing as yet to create that modern economy and modern society, I think Russia has lost a lot of time. **Russia used to have an extraordinary body of technically trained people;** Russian education and science used to be highly praised. This should have been utilized to create a modern society rather than digging holes in the ground looking for oil. While this might be fine for today, one day the oil will run out and Russia will be left with nothing. ■

Fareed Zakaria was speaking with Uzlaner Dmitry

Fareed Zakaria is one of the most widely known international relations experts. He was the first to broach the subject of the post-American world. Zakaria was educated at Harvard, under the tutelage of the famous thinker Samuel Huntington.

He came to international prominence with his work entitled *The Future of Freedom: Illiberal Democracy at Home and Abroad*, which was published in 2003. In this book, Zakaria questioned the nature of conceptions of freedom, democracy and liberalism. In his opinion, democracy also exists in a non-liberal form and, on the whole, the West is threatened by excess democracy to the detriment of liberalism. According to

Zakaria, developing countries must make a choice between non-liberal democracy and liberal autocracy on the basis of the Western experience. He promoted the idea that liberal autocracy is a more reliable means for achieving liberal democracy in the course of development. This book has been translated into over 200 languages, including Russian.

Zakaria gained even more popularity after his recent work, *The Post-American World*, was published in 2008. Zakaria suggested a new American approach to its interactions with other countries, highlighting the need to preserve American global leadership by other means than US hege-

mony. He promotes the idea that the US government should realize that the most acceptable approach towards relationships with leading global players in today's world is by following a principle of «consultations, joint activities, even compromise,» while at the same time demonstrating to the world that the most crucial problems of the planet will remain unsolved without US leadership.

Zakaria, together with the president of the Russian Institute, Gleb Pavlovsky, led the «Modern State: diversity of democratic experience» subpanel at the Yaroslavl Forum. *RJ* is pleased to present an exclusive interview with Fareed Zakaria.

RENEWING DEBATES ABOUT DEMOCRACY

Speech at the Yaroslavl international conference

Gleb Pavlovsky

moderator of the «Modern State: diversity of democratic experience» subpanel of the Yaroslavl international conference

YAROSLAVL-2009



GLEB PAVLOVSKY
is the president of the
Foundation for Effective Politics
and editor-in-chief of Russian
Journal

1.

My theses amount to a proposal to radically re-imagine the debates about democracy. It may even mean starting them afresh in some spheres, placing the universal standards of democracy in the middle and jointly developing them through experiments.

Today, the pathological **stagnation of the global debate on democracy** due to its extreme ideologization must be addressed. This stagnation of criticism and of new approaches to the «practicing» democracies has occurred in the West, and an apologetic stagnation has emerged on the Russian side. The West and the East have accumulated new experiences, but they are not discussed. In countries such as the United States, which have amassed a tremendous breadth of experience in democracy, the experience of successes and failures (the latter is even more valuable to newcomers) has resulted in an arrogant, flat and rigid version of democracy-ideology — «demoideology.» And in response, they receive similarly flat and quick-tempered apologies.

2.

The task that lies ahead of us now is to resume the democratic debate after 20 years of misunderstandings. The anniversary of the fall of the

Berlin Wall and the 20th anniversary of the new Russian sovereignty give us good reason for this. In 1989, when the Soviet Union was unilaterally bringing an end to the Cold War under the pressure of its own society, **two things** were seen as predetermined.

Firstly, there was a deep liberalization of institutions within the country. This meant de-monopolization in society and the economy, the legal renewal of law enforcement and judicial and governing institutions, as well as the humanization of repressive agencies, and a sharp decrease of the level of violence in penal institutions. *Secondly, there was a radical democratization of international architecture.* The unilateral withdrawal of the Soviet Union from the Cold War was viewed by Soviet citizens as an act of their global responsibility; as a sacrifice for humanity.

Yet, after only two or three years had passed, by the beginning of the 1990-s both of these facts were no longer on the agenda. Inside the country, the dogma of the «competent minority» and of the vanguard group of «listed» democrats displaced the program for the legal reform of the state. The oligarchic version of illiberal democracy had won at the hands of democrats (Fareed Zakaria). But in the outside world, the idea of legal order as an order jointly developed by nations was rejected in favor of so-called «unipolarity» — the American analogue of oligarchy. **Having been victorious globally, oligarchy was also victorious inside Russia. I am sure that these two victories are interconnected.** Russia is too big to avoid its internal arrangement being impacted by the global one. The global spread of the oligarchic model brought about the victory of oligarchy in our country. Alas, we are a global civilization, in both the good and bad senses of the term.

3.

Finally, everyone had a clear picture: only some countries were «enti-

pled to apply the law,» while others would become the subject of their assessments and reprisals. It was a bad time for disputes on democracy — nobody wanted to be involved in decisions without participating in the decision-making itself. Nobody wanted to earnestly accept standards that they had not agreed upon. The process of exchanging democratic experiences was cut short, and the feeling of the unity of a global process disappeared. The common horizon was lost.

It was especially clearly pronounced in the post-Soviet expanse of the **Euroeast**. Since the beginning of the 1990-s, Russia had conducted a «**policy of generosity**» in the region, as it was referred to in Europe, providing help to restore sovereign national states, and to acknowledge the legitimacy of their electoral institutions. This was a colossal field of democracy, helped by Russia immensely, yet without binding obligations. One might say that in that period, Russia, the EU and the United States had an informal partnership aimed at the governmental, democratic restoration of the Euroeast. (This was the reason why Russia managed to put down the first series of uprisings in the CIS between 1991 and 1996, having calmed the hotbeds of discontent. Not only in the Caucasus, but also in some countries like Tajikistan and Uzbekistan, it led to the victory of the model of secular democracy over the potential Islamization of these countries).

But loss of motivation of the West and Russia for broad cooperation in Ukraine led to the famous **Kiev crisis of 2004**, known as the «Orange Revolution.» What had been a huge opportunity for nation building became a field of battle and confrontation. International Bushism reared its head not only in the USA, but in all other countries — unilateral measures and polemics aimed at insult and exclusion reigned. The pre-crisis Russian triumphalism mirrored the American triumphalism.

4.

So, the issue of democracy acquiring 'police' traits since the end of the 1990-s was about supporting the American world leadership and gaining control over the «democratic illegal aliens» of the Euroeast. What used to be axiological became imperious: «the hegemony of the best of democracies.»

Unfortunately, our society accepted this substitute. The external trend took hold, and in Russia **the discussion of democracy was ever more often interpreted as a dispute about power.** Democracy was being turned into a badge of recognition. But in Russian history the most dangerous authoritarian forces had always posed as «people-loving» and democratic in the beginning.

5.

Some particular qualities of Russian democratic development are not evident. But they require a bona fide analysis free from exaggeration. In my own opinion, these qualities are related to the problem of the «scissors of competence.» The revolution of 1989—1991 neither created a school of criticism of political experience, nor, at the very least, preserved the Soviet critical intellectual tradition. After the dissolution of the USSR, actual politics and the analysis of political processes parted ways. An immense chasm formed between these «scissors» — of *theory* on one hand, and *practice* on the other. The reforms of the early 1990-s were carried out on the basis of ignorant and absurd concepts about the reformed country.

The «scissors of competence» restricted access to politics. By the end of the 1990-s, the opinion was formed that any society represented by its major groups was politically incompetent and was infected by totalitarian and left-anarchical aspirations. The actions of the executive authorities can be defined as a combination of initiative, improvisation and circumspect attitudes towards society. The authorities were waiting for the emergence of new social layers, committed to Russia and perceiving themselves as a political nation. These layers were, rightly or wrongly, referred to as the **middle class** in Russia.



6.

Today, Medvedev's addresses are clearly meant primarily for these layers. It is believed that they exist and that they are **powerful enough to act as an equal partner with the authorities as part of a strong democracy.** A new class has grown in our country, a creative middle class with global ambitions, which thinks both in democratic and in global terms. There is a **demand for democracy, because this group needs a global Russia** that is open to the world. «Globality» is an important part of the identity of Russia as a new political nation. The problem of modernizing Russian democracy, as mentioned by President Medvedev, is related to this *global identity of Russia.*

Global responsibility is free of imperial nostalgia. Russia, in a calm, cool and sober way, is conscious that it is a global state that is both dependent on the condition of the world order and is also responsible for it. Russia shares this responsibility with other modern states, both in the global and domestic arenas.

7.

We often come up against a non-legal approach to security as a tactical pause in periods between wars. Supposedly, it is not important when and why certain regional blocs

appeared, and that the direction of their expansion is not important either. Until they declare aggressive intent and objectives, the absence of war is viewed as an achievement. But the logic of international law and universality of legal thinking call for more. The safety rules in themselves may sometimes be unsafe.

Even Immanuel Kant, one of the first advocates of European unity, believed that «the multiplicity of unions and associations» meant that a state of war was often inevitable. Kant insisted that the path to a strong peace lay in **the legal world.** He called for a «continuous congress of states,» in which the law would provide the architectural structure of the world. «Only with the help of such a congress can the idea of establishing **public law** for the nations be implemented, resolving disputes between them in such a way as befits civilized nations, i. e. through certain **proceedings**, and not by barbarian (savage) means, i. e. through war.» We believe that there will come a time when such a continuous peaceful congress of nations, a **congress of law and security in the Euroatlantics,** will be established. It will be the most reliable and most modern 'missile defense system' possible for the population of the Northern hemisphere. ■

KNOWLEDGE IS AN INEXHAUSTIBLE RESOURCE

Alvin Toffler

participant of the Yaroslavl conference

YAROSLAVL-2009



ALVIN TOFFLER

is a futurologist, social scientist, writer, and head of the *Toffler Associates* consulting company. Toffler is renowned for his theory of three types of societies based on the concept of 'waves' (such waves alternate and are characterized by a set of specific features, distinctive for each type of society). He is the author of *Future Shock* (1970), *Powershift: Knowledge, Wealth and Violence at the Edge of the 21st Century* (1990), and *Revolutionary Wealth* (2006)

The consequences of the current global crisis are so tangible that one is reminded of the crisis of 1929. What is happening today is a repeat of what happened in the past. Yet, at the same time, what is happening today cannot be compared with previous economic crises. For this reason we have to develop radically new means to overcome the current crisis.

We have to analyze the predominant institutions of today, both national and international. The world is changing at a rapid pace; it has become more complex, more interconnected, and development

is taking place at heightened rates.

Taking this into account, let's try to understand not a specific event, but the universal crisis of mankind. Let's consider the system of well-being and the system of the creation of material wealth. For many thousands of years the development of human civilization took place on the basis of agriculture. It was only 200 to 300 years ago that we switched to an industrial society and industrial modes of production in the West.

Only a few intellectuals and leaders of business and politics of the time envisaged that industrialization would have such far-reaching consequences. These consequences were felt in every aspect of life: in the family, in infrastructure, in healthcare, in the construction of large cities, in the role of religion, in the possibility of overthrowing those in power. Changes were taking place in all these spheres; it was truly an industrial revolution. And many current institutions are still focused on satisfying the demands of industrially developed societies.

Today, belt-line production is a byword for economic development. This is especially harmful for poor countries passing through the initial stages of industrialization. Maybe in fact this is not the correct path; the fact is that there may be other development options.

Industrialization is not a highway to the future in today's world. There is also a more global, more encompassing path to development. We are now at a crossroads on this path, which is significantly different from the road we have traveled until now. We are undergoing a process of acceleration, and the system is becoming more complex, which, in turn, increases its vulnerability. We need to take into account not only the economic aspects, but also our technological capacities, and the resources of the younger generation. Some changes

need to be implemented in the relations between the old and the younger generations of today's world.

States and governments need to deal with the new reality and stop relying only on agrarian and industrial factors. Today, the most important resource is knowledge and information. It is an inexhaustible resource and we can use it forever. **Knowledge is the key to the future development of the global economy and to its transformation.**

This is what we call the «third wave». This is, indeed, a revolutionary transformation.

Knowledge is our most valuable resource. It is inexhaustible, and will never be in deficit. Knowledge is the key to a modern, cutting-edge economy. Knowledge can be used by many people at the same time. If I have a rice field, this is not the case, as I grow rice for myself and for my family. This is not the case if I own an assembly line, as nobody else has the right to use it. Furthermore, besides such potential uses for knowledge, we can also create new knowledge in the process. We need to stop dealing with knowledge as we used to previously; it is no longer untouchable.

When striving to overcome the crisis, we need to reject the old methods in order to take a step into the future. We also need to realize that nation-states as the dominant form of super-organization have already grown obsolete, just as tribes or clans did in the more distant past. They should be replaced by new institutional structures more suitable for the current climate. It will be the third wave: an information-oriented society based on knowledge.

We should ask ourselves: Are we ready for tomorrow? Are the Russian leaders ready for tomorrow? To be honest, in my opinion, nobody today is quite yet ready for the future. ■

OUR IDEAL IS A STRONG STATE AND DEVELOPED DEMOCRACY



VALERY FADEEV is editor-in-chief of Expert magazine, member of the Public Chamber of the Russian Federation, and director of the Institute of Public Engineering (IPE), which was responsible for organizing the Yaroslavl international conference

During the last century, especially after the Second World War, the role and functions of the state, and, notably, of the state in its best democratic models, saw a drastic change. If in previous centuries a state participated in the distribution of 10% of the national wealth in one way or another, this share started growing rapidly in the 20th century. At present, this figure has reached 30–50%, and is maybe even higher than that in some states. But there was also the opposite point of view. It used to be fashionable to discuss the weakening of the role of the state, and the old concept of the state as the night watchman was often revoked. So too, the emergence of new entities such as transnational corporations fuelled the view that they would become more powerful than the state and take on a number of state functions.

But the global economic crisis has had a sobering effect on many. All-powerful transnational corporations and huge financial companies are now asking the state for aid and are receiving it. There are two interpretations of such aid. The first one is social: The state cannot allow the collapse of many companies and banks, because that would precipitate high levels of unemployment, a decrease in living standards

and an increase in social tensions. There is no doubt that such a point of view has real justifications. The second interpretation, first offered by Immanuel Wallerstein, is this: The state in some developed democratic countries has a visible oligarchic complexion. A strong state is advantageous for big business, as such a state helps to create local monopolies bringing super-profits, decreases in production costs, a cut of infrastructure expenditures, tax cuts when required, and, finally, it provides protectionist measures that defend the local market from other countries.

As for the subject of state and democracy, a whole number of researchers (Charles Tilly and Francis Fukuyama among them) have pointed out that **of the states with a high potential, strong states have a higher chance of building an effective democracy.** A weak state risks devolving into authoritarianism. Survival of weak states is possible only under the auspices of great powers. Thus, a strong state and a developed democracy is the ideal that we should strive for. Apparently, a system of such states improves the stability and general security of the globalized world.

Russia is not just engaging in a joint discussion on these key issues; Russia is initiating this discussion. ■

GLOBAL INSTABILITY WILL ONLY INCREASE



IMMANUEL WALLERSTEIN is an American social scientist and geopolitical figure, one of the leaders of the modern radical left in the social sciences, and a member of the editorial board of Social Evolution and History magazine. He was moderator of the «Social responsibility of the modern state as a factor of global stability» sub-panel at the Yaroslavl international conference

In times of crisis, the modern state experiences pressure caused by two factors. One of these factors has been constant over the last two hundred years: the increasing demands of populations on their governments regarding education, healthcare and certain guarantees on income security. Huge funds are required to satisfy these demands. The second factor is migration — which is inherent to modern economics and impossible to stop. Governments require additional labor resources due to their ageing populations. And employers also need migrants. Moreover, migrants are the most important factor in boosting mobility, especially in countries with low income levels.

When an economy is growing, such circumstances are advantageous to all players. But when a situation of relative stagnation occurs, as in the last 30 to 40 years, resentment and rancor settle in. **Today we live in a world of great national instability, and this is bound to grow further.** States believe that their revenues have dropped as a result of the crisis, and that the demands of citizens on their governments have grown. The blame for this is laid at the feet of the government, and it leads to general discontent

among the population. **Today all world governments are primarily afraid of an uprising of their own citizens.**

Any government has two tools available to it with which to deal with this repression and concession. Having said that, it is no easy feat for a regime to govern through repression without serious ramifications, and concession means additional expenditure, and just where might this money come from? Here, again, exist two instruments governments either start up the printing press or to adhere to protectionism. It is easier for the United States to resort to the first option, because the dollar remains the reserve currency. But everyone is printing and borrowing the money, and as a result money becomes diluted. **There is not a single government in the world that has not become more protectionist than it was five years ago.** In the long term, the growth of protectionism results in a multitude of negative consequences, such as a decrease in international trade and a rise in problems related to restoring both productivity and an atmosphere of entrepreneurship. We are, therefore, faced with living with global instability for at least twenty years to come. ■

DEMOCRACY IS THE USE OF NON-VIOLENT MEANS. THIS IS ITS MAIN CRITERION

Excerpts from a speech at a session of the «United Russia» forum «Strategy-2020» held on the 15th September 2009

Vladislav Surkov

participant of the Yaroslavl conference



VLADISLAV SURKOV
is deputy head of the presidential
administration of Russian
Federation

[...]

I must say that my attitude towards the Yaroslavl Conference is completely different.

I am absolutely certain that we can succeed in creating the conditions in the Russian Federation to allow representatives at various levels of intellectual society – let me stress this: state representatives as well as those of world business – to discuss what modern democracy is. This is needed so that democracy is not thrust upon us in the form of sermons or lectures, so that common approaches to the issue can be developed. [...]

It seems to me that this is the way to get out there. I think the conference was a success and that the President set the right tone – tolerant, not overly imposing. There are few similar examples of such a remarkable gathering taking place – I for one cannot think of any – where theories of state-building and questions of approaches to modern-day democracy are up for debate. In this sense we could be one of the most remarkable platforms there is. As a matter of fact, there are not so many of these around, despite what some of those here present may

believe.

Moreover, I am more optimistic about the power of words and the benefits of discussions. Although I myself have a wholly practical, down-to-earth job, I am nevertheless convinced that our discussions, our deliberations, our words are not being sounded out in vain.

I listened to the speeches made by the Prime Ministers of France and Spain and I can say that they said some things that only five years ago politicians at their level would never have said. As our President has said, the theories that were fashionable at the end of the twentieth century almost entirely ruled out states from any role the future. They proceeded from the idea that the role of the nation state was set to decline catastrophically. Many believed this was already a fundamental truth, but it was not: it was just a controversial theory.

Time showed us that states continue to matter, that sovereign states continue to matter. We may recall the discussion within Russia about the notorious «sovereign democracy». Any arguments boiled down to the very same reasoning: that the notion was old junk, some kind of outdated theory, and so on.

People wrongly spoke about how attitudes towards sovereignty were changing. Of course its forms are different, but sovereignty continues to exist, as do states and their functions, their responsibilities towards their own citizens. It's no longer unusual to hold such an opinion.

Let me quote Barack Obama, who visited Russia... He stated that it was not the victory of the West that brought the Cold War to its conclusion, but that the Soviet Union and Eastern European countries also contributed to it. We have been saying this for years, but it seemed as if no one had heard it. And it turns out that someone did indeed hear it, and kept it in mind! [...]

Of course it's possible to question

to what extent this was a political speech, and what was really meant by it, but I'm going to leave such questions aside for now; for in any case, words matter. The fact that America has begun to talk in such a way is absolutely one of Putin's achievements and one of the achievements of a time when Russia thought it fit to speak out. Russia was at that time almost alone. Now literally everyone is talking this way. Back then, a few years after the invasion of Iraq, when both France and Germany had quietened down, we remained alone; it wasn't so long ago at all.

The things that the country's leadership were saying to us all at that time were considered out of fashion, and now they are very current. These ideas were sounded out at the «Modern States» conference in Yaroslavl and it was not coming from you or I, but all these words were coming from the mouths of leaders and intellectuals from Western states. It turns out that sovereignty, the nation state are modern after all. It turns out that you can't get anywhere without them, that's just how it is. [...]

I would like to say that our current topic of discussion, what we just discussed [at the conference], and the President's article – all matter. This is something I maintain, and in this sense I very much respect the work of intellectuals and thinkers of all kinds. [...]

I've already heard talk and read commentaries about Medvedev's article to the tune that «well, if there were resignations after this article – well in that case...»

But is resignation really action?

Well, well, well my colleagues, we may reshuffle people's positions, but where is the innovative economy in all this? Would we become freer? For we have survived a million such resignations; can it really be that resignation is a political act? This is primitive brainwork, some kind of inade-

quate reaction to the difficult economic problems that we have in the country: fire this person, assign this one the job.

There are many critics; criticism is not obliged to be 100% substantive, but can someone at least come up with some specific approaches to modernisation? This is why I think such an attitude towards gradual, evolutionary development is fundamental and that we need to regard this part of the article very seriously. For there are too many people hurrying along. There are those who do not do anything, those who hurry along, and there is no middle ground that would lead to systematic, regular work.

And, incidentally, there is much continuity in the article: Putin once said the same thing. This is also a good thing, because there are people who are looking to find something or other in these words... How can we show people that continuity is a good thing – that it is for the benefit of the state?

Who first spoke of underdevelopment of the technological sphere? Putin was the first to speak publicly about this. And now Dmitry Anatol'evich [Medvedev] is elaborating on these things. And, let's have it straight, he has shown the courage to mention particular areas, to say «we can» and «we will become», and that deserves our full respect.

I think that we should value careful treatment of society and the political system and not try to dig them all up in the hope that something better will grow out of the next round of mess. This is not going to happen. We need to develop in an orderly fashion, not destructively.

The President mentioned the supporters of «permanent revolution» in his article. Well, as it happens, I would like to quote Lev Davidovich Trotsky – this is one of my favourite phrases – that shows how supporters of «permanent revolution» think. This is how they thought back then and they still think the same way now: «In all large-scale political struggles one can, in the final score, discover the question of the beefsteak,» says Lev Davidovich Trotsky,



almost without irony.

Such an assessment of people and of the masses, the same as of people, who live only by their dreams of beefsteak, is deeply rooted in the consciousness of supporters of «permanent revolution». Therefore the very theory of permanent change – when people are not given a moment's peace, when this change subjects them to force – this theory comes from a contemptuous and arrogant attitude towards the things you see around you, from an uncompromising stand on reality. [...]

After such people come, unfortunately, dictatorship, or chaos and collapse. Therefore I believe that an attitude that values orderly, consistent development is the key to the future. [...]

We need to understand that the unrestrained absolute power of certain groups – especially when these are vociferous and boisterous – this is not democracy. Yes, democracy does exclude certain things, because it is based on democratic institutions and institutions have limits. This means that someone will always end up outside these limits, whether we want this or not. But this is the way that society – any society – is organised.

The question of the transparency and openness of these limits and their widening or narrowing is rather

polemical, but it seems to me that Russia is criticised for things that are all rather contrived. [...]

Therefore, we need to approach the criteria for these limits seriously, not make them jokes as so recently happened. Let's see, sit down, reflect. We need to find the criteria, and this requires mental effort.

I think that the Yaroslavl conference will only be pertinent if all together we have enough sense to propose some really specific and serious, yet at the same time easily readable, easily explicable criteria that define what democracy is.

And it is not a catastrophe if we ourselves do not fit these criteria; no one is maintaining that Russia is the wonderful promised land of world democracy. Of course not! And as for backwardness, and for the paternalism which pervades us through and through, and as for corruption... the President again openly spoke about it in his article. And these things are not reason to fall into a kind of nihilism and to say that both the conference was in vain and that we spoke of standards in vain.

No, we are not talking about all this in vain! I want you all to believe in this, that everything, in my view, is not in vain at all. The way the President approached the matter set a rather high standard for discussion. In my opinion this is by no means a typical article for a politician of such a rank. The article is about the very foundations of our state, our life,

about serious tasks, about things that are needed in order to continue working. And we have taught ourselves to move gradually, but have not come to a standstill.

The same thing concerns the fight against corruption, too. This will not be solved by new resignations or even by imprisoning every single person. [...]

Let us all finally understand that everything is not so simple. How many people... here you go – the Chinese put people to death in stadiums, and so what? Does that mean there's no corruption there? There is. But perhaps it's because the state plays such a strong role? OK then, in America the state plays a smaller role, and what, there's no corruption there? When Obama was elected they immediately started to try selling his seat [in the Senate].

We *do* understand that this is only a tiny element of a system where there are a lot of other things too. Here's another example – the British parliament has been wracked by scandal after scandal.

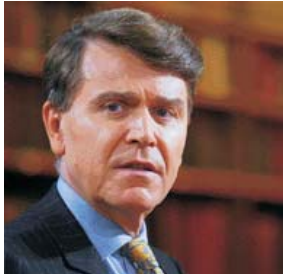
But this doesn't mean that we need to comfort ourselves with the thought that if these problems exist elsewhere then it means it's no big deal if they do so in Russia. It is a big deal; it is extremely dangerous and most repugnant. I give my absolute support to the ideology that the President has chosen, which is non-ruthless and seems to me absolutely correct. An ideology that favours gradual but unswerving actions aimed at changing the consciousness of at least the highest level officials, if at least via openness, via some declarations.

The President is someone who is very sensitive towards human life, towards security; he does not want cruel punishment, such as are often preferred in Russia. These are all words until you try them yourself for size. Give it a go – perhaps we will moderate the cruelty in our society.

I again want to conclude with some key words. Democracy is a non-violent means. This has, of course, got nothing to do with Tolstoy-ism. It's to do with minimalising violence in society, about minimalising the repressive role of the state as much as reality will permit. And it seems to be that this is the criterion for democracy – the main criterion. The less repressive the state, no matter how difficult life is, whatever challenges it has to go through, if we start with minimising its [punitive] function then the state will strive towards democracy, or will already be democratic and fully modern.

These are the key words in the political philosophy of Dmitry Anatol'evich Medvedev. ■

UN AND G_N – THE LEADING INSTITUTIONS OF THE FUTURE



THIERRY DE MONTBRIAL

is the president of the French Institute of International Relations, academic, professor of economics and international relations, member of the editorial board of *Le Monde*, and contributor to *Russian Journal*. He was moderator of the «Interstate cooperation and effectiveness of global institutions» subpanel at the Yaroslavl international conference

The world has become multi-polar, heterogeneous and global. There is not a single country in the world, including the United States, which can govern the entire world single-handedly.

Heterogeneity implies importance of ideologies. According to Francis Fukuyama, the world in the near future will be governed by political regimes with different ideologies, and Western ideas will not spread very fast around the world in the coming 20 to 25 years. **After the break-up of the Soviet Union, the West placed major emphasis on ideological factors.** But today, countries with different ideologies need to learn to work together.

The «global» world is an interdependent world. The process of globalization today is given great importance if the process of globalization grinds to a halt, then there is a rather high likelihood that a catastrophic scenario similar to the situation immediately before either the Second World War or the Cold War will develop. The most important task is to duly resolve the problems of global controllability, which is a process that is governed by two fundamental principles. The first of these is the necessity of **achieving a balance between global and regional institutions.** The weakness of the

latter is one of the reasons why the UN is not as effective as it could be. Resolving problems such as the situation in the Middle East is important for the stability of the whole international system, and such problems should be dealt with at the UN level. And this is not the case at present. The UN must resolve most of the problems in the Middle East at the regional level whenever this is possible, with the exception of the problem of Iran.

The second principle to resolve the problems surrounding global controllability is the importance of working within the framework of G_n; that is to say, a certain number of countries cooperating in a format similar to the G8 or G20. The G2 format (America and China) is effective only for working on specific issues and at the initial stage, since the G20 has a great many problems to deal with. **If there is no capacity to resolve a problem within the G_n framework, then it should be transferred to the UN system.** G_n member status does not only infer rights, but also obligations and responsibility. Each country should bring a certain input to the alliance, be it the use of the armed forces, a contribution to peacekeeping forces, or a contribution to the economic sphere. ■

REGIONALISM IS THE FUTURE

Parag Khanna

participant of the Yaroslavl conference

PARAG KHANNA
is director of the Global
Governance Initiative and Senior
Research Fellow in the American
Strategy Program at the New
America Foundation

RJ *Do you think that opinion towards conceptions of nation-states, regionalism and international organizations has shifted because of the crisis?*

I think that there was a mental shift towards the need for regionalism even before the crisis. Before the crisis hit, there was a movement in Asia, for example, towards developing Asian banking and Asian monetary funds. Likewise, Brazil was attempting to create a union of South American nations in Latin America. I was very surprised to see a focus on the regional level at this conference. I think **we should devote more resources to strengthening regional organizations and less resources to reforming global ones**, because there will be only very limited instances where the crisis will reach such a point that we should be acting on a global level. We need not G7 or G8, but Gx. A Gx of one particular size is needed to deal with environmental issues, and a Gx of a different size for a financial crisis.

RJ *Does this mean that the notion of the nation-state is outdated?*

No, for me it depends on the state. There are many different kinds of states. One-third of the world's states are post-colonial failed states. They are not a part of interstate cooperation; they are the *targets* of interstate cooperation. At the same time, there are strong states like China, India, America, Russia, and Brazil. And there are micro-states that are quite confident single powers, such as Qatar and so forth. Then there are states which exist only in name, like Sudan, Congo. Whenever people ask me about the future of the nation-state, I say, "which one?"

RJ *In your book The Second World you argued that the three emerging poles in the world, the future world, are the United States, EU and China. But we are used to looking at the West as a kind of union.*

I think **we stopped looking at the West as a unit a long time ago from the strategic perspective**. The notion of a unified alliance in the West has been fading for a long time, but the Iraq war has finally killed it entirely. The reality of one West and two poles is much more prominent today, and is in fact the reality if other than from an economic standpoint.

RJ *Would it mean the end of NATO?*

No, I think NATO can continue to exist for a long time. So can the United Nations. But the issue should be on how effective they are, not whether they can continue to exist. What purpose do they serve? The answer to this from a NATO perspective is very, very little; just a tiny fraction.

RJ *Your tri-polar arrangement begs the question: Where is Russia? And other powers for that matter, including the Islamic World, India, and Japan?*

The notion of a tri-polar world does not exclude or deny the existence of these other actors. The notion of a tri-polar world is simply a very factual statement that the United States, the European Union and China each

represent more than 20% of the global economy and global trade. They have universal ability to change policies around the world, and they have the ambition to do so. That is not true of any other power. **You can tell me that you want Russia to be considered a superpower and that it belongs in the tri-polar arrangement, but you would be wrong**. The plain fact is that Russia represents an economy that is the size of France. It is not an economic superpower, and **you cannot be any type of a superpower unless you are an economic superpower**. Russia is also a center of gravity, but it is not one of the big three centers of gravity. It is a regional geographic center. It is a very special one, and an enormous one, but the only power that might be added to the tri-polar spectrum from an economic standpoint is Japan.

RJ *What about the Islamic World?*

The notion of an 'Islamic World' is a construct. George Bush created it, Osama Bin Laden created it; the two simply cooperated to create it. The point is that it is a very useless concept.

RJ *Does the growing role of regional organization and cooperation mean that the United Nations will eventually entirely cease to exist?*

The United Nations is many things at the same time. It has a Secretariat, a General Assembly and Security Council, which are the core bodies. But then it also has many functional agencies that deal with different areas. **For me there is no one United Nations**. The Secretariat is useless. The UN Development Program is useless. The UN Environment Program is useless. The Security Council is more or less useless. The UN General Assembly is actually useless. But the World Food Program, the Commission on Human Rights and UNICEF, which deals with children's issues, are very useful institutions. They actually do something. ■

Parag Khanna was speaking with Boris Volkhonsky

THE ARCHITECTS OF THE FUTURE AS THE ESSENCE OF A MODERN SOCIALLY-RESPONSIBLE STATE

response to the President of the Russian Federation Dmitri Medvedev's address entitled «Forward Russia!»

Alexander Oslon

speech at the Yaroslavl conference

YAROSLAVL - 2009



ALEXANDER OSLO

President of the Public Opinion Foundation (FOM). One of post-Soviet Russia's pioneers of contemporary sociological data processing. FOM is one of the leading sociological research providers in Russia. He is co-author of the book «A Decade of Sociological Study» (published 2003)

A modern state relies on competent comrades-in-arms and like-minded fellows. Together with them it overcomes stagnant traditions and the resistance of those who stand in the way of the realisation of projects for the future.

«I would invite all those who share my convictions to **get involved**. I would also invite those who do not agree with my ideas but sincerely desire change for the better to be involved as well.

People will attempt to interfere with our work. Influential groups of corrupt officials and do-nothing 'entrepreneurs' are well ensconced. They have everything and are satisfied... They are not creating anything new, do not want development, and fear it. But the future does not belong to them – it belongs to us. And we are an absolute **majority**.» («Go Russia!» by Dmitry Medvedev)

The majority, huh? Sociology confirms: YES. Trust, support and approval of the actions of the President, the Prime Minister and their political party are expressed today by 55% to 75% of Russia's adult population depending on the how the question is formulated. Only 10–20% of the population express in some way clear disapproval.

Wide public support is an essential yet insufficient condition for a modern state. Implementing the project for the future will be possible only with should there be people capable of working productively. The rest are like spectators in the stands, doing nothing but sympathising with the players and encouraging them along. A modern state's assets are talented, educated, competent and driven people. A modern state is a «talent management» institute.

«**Talented** people who want reform, people who can create new and better things will not come here from another planet. They are already here among us... We — the government, society and the family unit — must learn to **find, nurture, educate and take care** of such people.» («Go Russia!» by Dmitry Medvedev)

What does sociology say about the Russians who are already prepared for and capable of work together with state institutions for the future? The criteria which we can use to identify them are plain and simple: not words, not intentions, but actions. It is possible to engage in dialogue about innovation, development and the future with those people who already use technological innovation in their every day work. It is possible to count on them.

FOM has been studying these pioneers of progress for two years now. We call them «People-21» and can confidently estimate their number at

What of the following things have you done in the past two to three years?

(Answer card. Unlimited number of answers.)

		The population as a whole	People-21 (>5 positions)
1.	Use a mobile phone	77	96
2.	Use a computer	31	89
3.	Use the internet, send an email	28	87
4.	Drive a car	23	62
5.	Take a bank loan	22	50
6.	Buy goods on credit	27	50
7.	Pay for goods or services with a bank card	9	45
8.	Handle foreign currency	7	44
9.	Obtain sports equipment and / or tourist gear	8	42
10.	Take a flight	6	37
11.	Travel abroad	6	36
12.	Receive additional education, raise your qualification	7	33
13.	Use the services of a beauty salon	6	29
14.	Have goods delivered to your home	6	29
15.	Work out at a fitness centre or sports club	4	25

Those in the stands:

None of the above	16	0
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around 12-13 million people.

These are not only the youth: amongst them 62% are aged 18-35, but 34% are aged 35-55. Over half of them are educated managers, specialists and businessmen. On average they have a significantly higher income, and a large proportion of the national stock of ambitions, entrepreneurship, career-mindedness, determination for success in life, material and cultural consumption.

The answers of the «People-21» group differ on practically every question from the rest of the population. For example, 11% already have their own business (in the general population this is 4%), and 44% want to have one (compared to 25%). 30% have an appetite for innovation and changes (19% in the general population), 16% declare themselves conservative (compared to 38%). These are the people who the President was least of all referring to when he said:

«The desire to make a career from scratch, to achieve personal success step by step is not one of our national habits.» («Go Russia!» by Dmitry Medvedev) ■

THE REPORTS OF THE CRISIS ARE SLIGHTLY EXAGGERATED

Iosif Diskin

moderator of the «modern state versus terrorism, separatism and xenophobia» panel at the Yaroslavl conference



IOSIF DISKIN

is a Russian economist, professor at the High School of Economics, co-chairman of the National Strategy Council, and member of the Public Chamber of Russia. Between 1996 and 2000 he held the position of councillor to the chairman of the Federation Council of Russia. He authored the book *Crisis... And yet it's Modernization!* (Moscow, Europa, 2009)

There is no point in discussing today whether we have already left the worst of the recession behind us. Not only have we already hit the bottom, but we have begun to emerge from the recession as well. According to the Goscomstat data, the second quarter of 2009 saw a 7.5% growth rate compared to the first quarter.

Two months ago, together with my colleagues from the Public Chamber, I wrote a letter to President Dmitry Medvedev, in which we said that **the deep crisis that everyone is talking about does not exist**. We recovered from the critical point in industry in the first quarter and have seen subsequent growth. In this respect, our views are more optimistic than the government's economic views at that time.

The government doesn't want to look at the Goscomstat data. The deputy minister of economic development, Andrei Klepach, says that

Goscomstat is «embellishing» the situation. According to our information, in a number of regions they undervalued indicators in order to receive more federal support.

Furthermore, the situation is different in different sectors of economy. **Agriculture is showing absolute rather than restorative growth**, and volumes of production are higher today than in 2008. The prices of non-ferrous metals are gradually being restored, which means that our non-ferrous metallurgy will be recovering. Oil production volume has exceeded indicators for 2008.

Alexei Kudrin is underestimating the prospects for oil prices. Oil is now at \$70 per barrel, where he says that it should be \$55. But such leading world economies as China and India are demonstrating a 7–8% economic growth rate, which is impossible to achieve without promoting the energy sector. The growth of the Chinese and Indian economies and, therefore, the general growth of oil consumption there has already made up for the fall in demand in developed countries. In a situation where the West has already begun to recover, when it has become clear that demand will rise, and when oil production has experienced a lack of investment for 10 years, oil prices will surely exceed the mark of \$85 per barrel. And with oil prices above \$85, all sort of alternative types of fuel become lucrative.

2008 was the Russian economy's best year in the last 100 years. Never before have Russian citizens enjoyed such prosperity. **In the midst of harsh recession, the level of income of the population has gone down only by**

sonnel levels had in fact been excessive. The middle class was to suffer the most from recession, but it was no more than a social soap bubble; a product of a period of prosperity when Russian businesses were paying generous wages.

The main problem is that possibilities for economic growth remain, but they are not being taken advantage of. **The government's financial policy today takes into account only one thing: the threat of inflation**. The Russian government is the only government in the world to have this major preoccupation with inflation during the recession.

However, from a strategic point of view, world leadership is still held by the USA. **The global economy is still dependent on the innovative and technological thrusts that come from the USA**. The Chinese economy is merely based on the industrial realization of the technological advances achieved by America, and the leading role that the USA plays in the creation of new technologies and intellectual property will remain in perspective. Yet, BRIC countries are expected to at least become a part of the global technological factory. It is certain that another American advantage is its financial sector, which is the main driver of the American economy — but here we have yet another novelty, as the profits of the Chinese financial sector are exceeding those of the USA for the first time.

The catastrophic scenario — the collapse of the USA — is very unlikely. A more probable scenario would be a prolonged period of U.S. decay. The

There is no point in discussing today whether we have already left the worst of recession behind us. Not only have we already hit the bottom, but we have begun to emerge from the recession as well

2.3%. We did not even go down to the level of 2007, which was also quite prosperous. The level of unemployment went up but in some cases per-

age of America may well be over, unless its technological leadership undergoes an overhaul. ■

Specially for RJ

UNIVERSAL COLLAPSE IS YET TO COME

Mikhail Leontiev

participant of the Yaroslavl conference

YAROSLAVL-2009



MIKHAIL LEONTIEV

is a Russian journalist and political scientist, host of the ODNAKO show on Channel 1 on Russian TV, and has been editor-in-chief of the magazine of the same name since 2009. He previously headed the analytical magazine Profile (2007—2009), and is regarded as one of the leading publicists of Russia's conservative right

RJ Do you agree with the statements of Elvira Nabiullina and Alexei Kudrin that claim that Russia has already passed the worst of the recession?

We can state plainly and clearly that there has been no end to recession, but, on the contrary, it has only deepened. What we are witnessing now is an attempt to arrest its growth by way of monetary therapy. What had previously been called toxic assets were not only preserved but actually multiplied. It led to remission — a temporary improvement of patient's health — but we do not know if it is the remission of a terminally ill patient or not. And I have to say **Russia doesn't have any anti-recessionary policy even in principle; there is no conception of it.**

There is a pro-recessionary policy — that is to say, a policy that promotes the current idle survival mode while we

plunge into the abyss of recession. We have learned to do that for better or worse. My like-minded colleagues have said countless times that the colossal financial injection will produce a temporary effect, which we will be able to see during the second half of this year. The most important thing is not to take it at face value.

RJ To what then would you attribute the appearance of claims predicting that Russia and the rest of the world will re-emerge out of the crisis?

There is a massively promoted campaign of *injecting* optimism, often by media brainwashing. It is generally accepted that expectations play a huge and self-sufficient role in the fate of the market. This is partly true, but with no available objective circumstances to inspire confidence, it is senseless to inflate it. Many economists, from Joseph Stiglitz to Warren Buffet, have predicted that dollar will not survive. The collapse of trust will take an even greater scale with it in its wake.

Besides, this is the essence of the world system. Countries that are poorer than the USA were subsidizing consumption in America for minimal percentages — practically zero. Economic growth was provided for by this consumption because there was demand for goods from third countries.

The only way to pay dividends in such a system is to attract a growing number of new investors — but their number is finite. **The main problem**

facing the world financial system is that it has seized all humanity.

American financiers would not feel the essence of hyperinflation was because they have spent their entire lives struggling with deflation. This is why their actions automatically lead to hyperinflation. If you injected 13 trillion dollars into the world economy, it would mean that this money would

«pop-up» somewhere contributing to this or that form of hyperinflation. Can you print another 8 trillion in counterfeit dollars and say «here is the way out of recession»? Only an idiot would believe that.

RJ Can we question the American political and economic leadership today?

The world seems to have two choices. People can either dance to the tune of the USA, as they are the ones who own the economy and the ultimate authority when it comes to adopting any anti-recession policy; or, as the Chinese did, an autonomous policy can be adopted, albeit within the same global American paradigm. The Chinese have built their economy, from the one side, by feeding and even strengthening the American parasitism, and from the other, by developing world's biggest non-virtual economy. **They are symbiotically tied to the USA because acting as a parasite towards America is for nothing but nutrition,** on which the Chinese economy is rapidly able to multiply. Actually, the long-term effect of this process on America will be fatal. Even now, the American real sector of its economy amounts to 10% of its GDP. You can keep on repeating that this 10% is the cream of the crop, but America is not ready to shrink tenfold. That's why the current American system has no future.

RJ Are there any Russian strategies for overcoming the recession?

Can you print another 8 trillion in counterfeit dollars and say «here is the way out of crisis»? Only an idiot would believe that

The distinctive characteristic of the Russian strategy is that it is fundamentally derivative. We replaced anti-recession policy with a policy of social stabilization, which is essentially not about restoring the domestic economy, but about dispensing money to banks. ■

Mikhail Leontiev was speaking with Liubov Ulinova

PEOPLE ARE EXPECTING LIFE TO GET BETTER NO EARLIER THAN IN 2 TO 3 YEARS' TIME

Elena Bashkirova



ELENA BASHKIROVA

is a Russian sociologist with a PhD in Philosophy and CEO of the independent sociological service firm «Bashkirova and Partners» (est. 1992). Before this she headed the international comparative research sector of the Sociological Institute of the USSR. Her sphere of academic and practical interests includes the study of public opinion. She is the author of numerous publications in academic collections published in the press both in Russia and abroad

Regardless of claims made by the Russian government's economics team that the worst of the crisis has been and gone, **Russia's people are continuing to suffer all the hardships of the current economic situation.** According to data obtained by «Bashkirova and Partners,» by June 2009 the number of those who had suffered from the effects of the crisis had increased since December 2008 and stood at 70% (as opposed to 48% in December 2008). Almost a quarter of those questioned stated that either themselves or members of their family had taken a pay cut (23%), 16% of

those questioned had lost their job, 9% had experienced delays in receiving their wages, pensions, student grants or benefits, 7% had taken unpaid leave, and 6% had started working fewer hours. Residents of the Siberian and Far Eastern Federal Districts were the luckiest, with respectively 39% and 45% of families noting that neither themselves nor members of their families had suffered as a direct result of the economic crisis. The worst-hit situation is in the Urals Federal District – 30% of those questioned had taken pay cuts and 18% had lost their jobs. Hidden unemployment (a shortened working week, less hours worked per day) had hit 11% of the district's residents.

According to estimates by the Consumer Climate Index, **50% of families are in a worse-off position than last year.** Almost half of those asked do not expect things to change in the near future, and one quarter expect things to get worse. Those living in rural areas are more likely to reduce their expenditures in comparison to those living in towns and cities. The lower the income level the more likely it is that citizens are forced to reduce their expenditures. Russians are of the opinion that the coming year will be either «neither good nor bad», or «bad» for the country's economy. Nevertheless, compared to past research carried out in February and April 2009, the consumer climate index has improved. This points to the fact that in spite of everything, people have begun to evaluate the Russian economy's perspectives more optimistically.

However, compared with December 2008, people are more and more inclined to reduce clothes purchases (26% in December, 42% in June), purchase of household appliances (26% in December, 39% in June) and certain foodstuffs (22% in December, 35% in June).

That said, **Russians are not inclined to blame the authorities for the current situation:** less than one fifth of the population is of the opinion that the instable nature of Russia's economic and political system are behind the economic crisis. Half of Russians believe that although the country's economy and political system were insufficiently strong and effective to counter the blow of the economic crisis, the roots of all misfortune lie abroad.

It is worth mentioning that on the whole Russians approve of actions taken by the head of state and the government to steer the country out of the economic crisis. 74% of those questioned on the whole approved actions taken by Dmitri Medvedev, and 79% approved those of Vladimir Putin. 56% of those questioned believe that measures undertaken by the President are adequate, 56% think so of the Prime Minister, 44% of the government, 36% of the Federation Council, 39% of the State Duma and 44% of the governors. **Protests are extremely rare:** in June 73% of Russians stated that they would not take part in protests, even if some were organised.

And as for the «people's prognosis» of how long it will take before the economic crisis is over, the mood of Russians is realistic: 3% think that the country will manage to overcome the financial crisis by autumn 2009, 26% suppose that Russia will emerge from the crisis in a year's time, by summer 2010. 12% expect the end of the crisis to be winter 2010, whilst 11% stated that the economy would stabilise by winter 2011. More often than not respondents were more cautious in their evaluations and 31% are not expecting an improvement in the economy within the next 2 to 3 years. ■

Specially for RJ

PRESIDENT MEDVEDEV'S SPEECH IS A MOVE TOWARDS THE FREEDOM OF INFORMATION

Craig Calhoun

participant of the Yaroslavl conference

YAROSLAVL-2009



CRAIG CALHOUN

has been president of the Social Science Research Council since 1999. He is also University Professor of the Social Sciences at New York University and the author of the book *Sociology in America: A History* (2007). He was a participant in the international conference «The Modern State and Global Security» held recently in Yaroslavl'

RJ *How would you evaluate Russia's contribution to the international dialogue on the standards of civilized state and democracy?*

The contribution provided during the years of the Soviet Union should not be forgotten. The existence of communist societies in the 20th century provided a counterpoint, a reminder that the capitalist societies of the world were not the only way to organize a society. I think that we need these reminders because we need to know that there are historical choices. This is the first reminder. In these specific areas I think that Russia can play a very constructive role as one of the five or six great

powers in the world that can both try to encourage the United Nations to follow a moral path, and to reduce the temptation of taking any unilateral action, for example. As the Russian state is being rebuilt, it also provides a model for transition. This could be an important model, a very good model or even a bad model, but that will depend on the nature of Russian development and the choices made in the country. **I am very encouraged by President Medvedev's speech that suggests a strong commitment to increasing the freedom of information.** Russia has a role to play, demonstrated by the very concrete example of intellectual property rights. There is a tendency for people to say that the global spread of US standards of intellectual property rights is simply the way that things are and must be. But this is in fact a very particular view that privileges certain parties as owners of intellectual property and undermines others. Russia has been one of the countries that have spoken up in opposition to US domination in this area and I think that this provides hope.

There are real questions posed by a potential move away from libraries with physical books to

capacity to make it much more widely available.

RJ *Are Russian universities operating at a level that means they can participate in international debates? Have scholars from Russian universities and the Russian social sciences been able to enter the international sphere in their field?*

Many Russian social scientists worked on the international stage. Yet, I think they managed this almost *despite* Russian universities, not *because of* Russian universities. In the Soviet years, Russians had very high quality science and technology, but in the 1990s and even in the current decade there has been a massive reduction in investment in universities. This has been disastrous for Russian science. Russian scientists moved to New York and California, which basically means Russia giving a subsidy to the US — a subsidy made up of highly trained people. This I think was a great misfortune for Russia. The overall standing of Russia's universities has fallen at the same time as most other countries in the world are working systematically to try to raise the standing of

A better educated Russian with more awareness of social issues and international issues is good for everyone across the world, and is also good for Russia

electronic libraries housing digital media: Will you only have access if you pay? Will you only have access if you are affiliated to a certain institution and through that University? What about individuals in this case? I think that we stand in danger of restricting information at the very moment when we have the technological

their universities. I think that a **better educated Russian with more awareness of social issues and international issues is good for everyone across the world, and also good for Russia.** ■

Craig Calhoun was speaking with Dmitry Uzlaner

THE US «LEADERSHIP» IS UNDER QUESTION BUT NO OTHER GLOBAL POWER HAS EMERGED TO REPLACE IT



LEON HADAR is a research fellow with the Cato Institute, the leading American libertarian «think-tank», a contributing editor for the American Conservative. Hadar has published numerous critical analyses and commentaries on the U.S. politics in the Middle East. Author of the book «Sandstorm: Policy Failure in the Middle East» (2005).

Participant of the Yaroslavl' conference

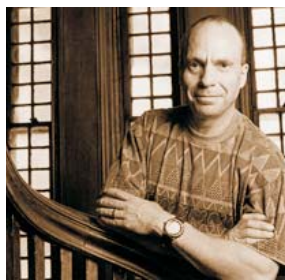
Specially for RJ

«Globalization» is a process and not an outcome. In that sense it's continuing. But there are signs of 'de-globalization' especially when it comes to the falling level of global trade. There is also growing protectionist pressure on the US and Europe in trade, investment, immigration, which makes it more difficult to make new moves towards European integration or for that matter, expanding NAFTA. I'm not sure that the global economic crisis is coming to an end. The financial imbalances at home — measured by the budget deficit — and on the global scale measured by the U.S. current account deficit are still where they are — and growing. In short, through a major monetary stimulus the US Fed has succeeded in preventing an immediate economic explosion. But that is not the end of the story by any means. **There are really no «winners» of the crisis as such in US or Europe.** Note the problems that Obama and Gordon Brown the «winners» are facing, and things can change also in France and Germany as the mood of the publics in these countries tend to swing

between political apathy and political rage. If you agree with the leaders in Europe and the US, their policies averted a more devastating economic crisis that could have destroyed the middle class. But there is no doubt that at the end of the day, Wall Street and not Main Street has been the main beneficiary of these policies, and that, I think, is going to have major effect on politics and economics in the years to come.

There is no doubt that the wars in Iraq and Afghanistan coupled with the financial crisis have demonstrated the limits that currently operate on U.S. global military and economic power. **US leadership has been weakened** and we already can detect the responses in, say, Latin America and East Asia. The election in Japan is just the latest example, brining to power a political leadership that is less committed to the alliance with Washington and wants to improve relationship with China. The only factor ensuring continuing US «leadership» is the fact that no other global power has emerged replace it. But that is going to happen sooner or later. ■

WE NEED INSTITUTIONAL MEANS TO PREVENT DOMINATION



IAN SHAPIRO is Sterling professor of political science at Yale University, where he also serves as Henry R. Luce Director of the MacMillan Center for International and Area Studies. He is the author of several books, the most recent being *Containment: Rebuilding a Strategy Against Global Terror* (2007).

Participant of the Yaroslavl' conference

Specially for RJ

I think that **democracy at its most fundamental level is about producing institutional means to prevent domination.** There are various ways of achieving that, but I think that the basic standards that those institutional mechanisms must meet need to be spelled out.

Nevertheless, it is always tricky to impose standards, because the very nature of democracy means that its legitimation comes from the law. The more you try to impose things from above or from outside, the more you provoke resistance from below. For this reason, I think it is more a matter of trying to build consensus for these standards, and build acceptance of them. I think that this can be done in a variety of ways, and that countries and international organizations should make receiving aid conditional on the recognition of those standards, but **I don't think that the idea of some form of world government that would impose these standards is a good idea.**

Whichever new models of democracy emerge, they need to deal with the problems of the existing models. As I see it, the two biggest problems of the existing models of democracy is firstly the concentration of global power in the private sphere, and secondly the problem of the degree of permitted opposition. The former problem essentially allows players to dictate what happens in politics, while the latter means that some systems allow too much opposition (as in the American system, where the opposition party can prevent the government from acting), and some suffer from a lack of opposition (as in monopolistic systems such as the Japanese system for much of the 20th century).

I think that there might be other ways of achieving the balance of having viable opposition that nonetheless allows for effective government, although I think that this is a very tricky institutional challenge. ■



SIFTING OUT THE «FIRST AMONGST EQUALS»

The current economic crisis is, if anything, the most serious challenge in the past 60 years to the viability of the United States' political and economic world dominance.

A fact that was recognised a long time ago has now become obvious: a second economic and political giant capable of challenging US monopoly has arisen – China. And simultaneously it has become just as obvious that these two potential competitors are meanwhile so tightly linked that any sharp motion by either side will lead to the definitive collapse not only of both superpowers, but of the whole global economy. As the US's largest foreign lender China might perhaps want to get rid of its dollar-based assets, but doing so is not so easy when its internal market does not have sufficient capacity, and the possibilities of placing colossal gold and foreign currency reserves onto other foreign markets are extremely limited.

Whilst a battle of positions goes on between the two potential superpowers, other processes are also growing in strength. The G20 is taking over from the G8 with ever more confidence in resolving global issues. Only the idle could fail to mention regional reserve currencies. Human rights principles which seemed before to be unshakable and «universal» (although in fact imposed by Western, protestant civilisation) are being questioned more and more frequently.

The reverberations of the economic crisis brought about unexpected political consequences: in Japan, the Liberal Democratic Party's uninterrupted time in power has been broken for the first time in 50 years, and the outcome of the September elections in Germany's Bundestag could well disprove data provided by public opinion polls that were once thought infallible.

Against this background countries, which up until now in the US it had been the norm to mark as marginal, are asserting themselves ever more decisively. There's Iran and Venezuela, and even North Korea is openly blackmailing the US with its nuclear programme. Such countries have nothing to fear: tied up in Iraq and Afghanistan for the near future the US will most unlikely to be in a position to deal with them in the same way as it dealt with its opponents 6 to 8 years ago.

RJ has been talking with renowned experts from various countries about how the economic crisis is taking form in various parts of the world and how it could affect the configuration of power in the future world order. ■



*Boris Volkhonsky
is the contributing editor
of RJ's International
Section*

GLOBALIZATION WILL CONTINUE DESPITE THE CRISIS



DANIEL DREZNER
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Specially for RJ

The two biggest changes as a result of the global financial and economic crisis have been **the shift of the focal point of economic summitry from the G8 to the G20, and the larger role that China has been playing** in engineering an emergence from the state of crisis. These are not radical changes and simply reflect shifts in the distribution of power. They are not that radical, in part, because we are still in the midst of the crisis (or just emerging from it). To use a fire analogy, you worry about putting out the current fire before worrying about how to fireproof things for the next time around.

Globalization is still relevant. If anything, the crisis exposed how ludicrous the concept of «decoupling» was last year. **The BRIC economies are still tied to the OECD economies as a whole.**

Over the longer term, I think the effects of the crisis will be complex. The EU will continue to attract members, and so will the euro. Globalization will continue, but I can envision national leaders focusing

a bit less on growth maximization and a little more on ensuring a sustainable and robust rate of growth over time.

The left forces cannot claim to be 'the victors of the crisis' because politically they are weaker now than they were in the '30s – there is no Soviet Union, and China is communist in name only. In contrast, the global institutions underpinning Western liberalism – the WTO, IMF, NATO, World Bank, etc. – are as a whole much stronger than what had existed in the 1930s.

There is no doubt that the epicenter of the crisis can be traced to America, but it is worth pointing out that foreign banks are in much worse shape than American banks at this juncture. The flight to quality still translated into demand for dollar-denominated assets. America has suffered during this crisis, no doubt, but it has also provided leadership on a range of issues. The size, productivity, sophistication, robustness and dynamism of the U.S. economy remain unparalleled. ■

JAPAN'S ELECTION RESULTS — A CONSEQUENCE OF THE ECONOMIC CRISIS



NOBUO SHIMOTOMAI is a professor at Hosei University, Japan. He participated in the Yaroslavl international conference entitled «The Modern State and Global Security»
Specially for RJ

It is perfectly obvious that the election outcome in Japan is a result of the economic crisis. The fact of the matter is that Japanese voters are very conservative and it was only on this occasion that there was a sharp rise in criticism of the Liberal Democratic Party (LDPJ). It was the irresponsibility of the party leadership towards pensioners and the rise in youth unemployment that is to blame. For this reason the traditional, conservative tiers of society turned away from the ruling party setting off processes of democratisation and political change as a result.

There are no particular differences between the political programmes of the two parties – the former ruling LDPJ and the Democratic Party (DPJ) that won in the elections. But this is not the issue. **Japan was ruled for almost half a century by a certain conglomerate of state bureaucrats, the middle class and big business. This was practically a semi-state structure in itself.** The crisis in the system of governance was brought about firstly, by globalisation and secondly, by irresponsible social policies. As it happens this raises the question of the self-identities of both the new ruling party as well as the new opposition.

Within the LDPJ there are both a pro-American-

mind ed globalists and Japanese traditionalists. The DPJ, as centrists, also want to find support from diverse layers of Japanese society.

The optimal model for Japanese society would be the formation of a two-party system. But it cannot be ruled out that the victorious DPJ will simply try to take the place of the LDPJ, and a large ruling circle will again appear. It must be said though that sooner or later there will be a rupture and a new cycle is inevitable.

It is difficult to comment on potential differences in Japanese policies towards Russia and the «northern territories». I am not an optimist, but I am not ruling out that the new Prime Minister Yukio Hatoyama, whose grandfather normalised relations with the Soviet government back in the day, will, half a century on, search for a new approach towards relations with Russia. He used to frequently visit Moscow. His son works here. The Russian Foreign Minister recently said something very interesting: the new Prime Minister's son is studying Moscow's public transport system. The aim of his research is to find how to avoid traffic jams. So, **it cannot be ruled out that the Hatoyama family will indeed find new paths to take.** ■

THE NOTION OF NATION STATE IS NOT WEAKENING



JAYANTHA DHANAPALA is the President of the Pugwash Movement. In 2006, a contender for the position of UN General Secretary (form Sri Lanka). One of the participants of the Yaroslavl conference on 'Modern State and Global Security'
Specially for RJ

First of all, we must acknowledge that **no one country has the monopoly of perfection with regard to human rights or democracy and other values that we all uphold.** We have a system, internationally, where there are human rights conventions and treaties, which Sri Lanka, among other countries, has signed. That must go on, and that must apply equally, whether it is powerful countries like the United States and Russia, as well as smaller and weaker countries like Sri Lanka.

We know that human rights can be used as a political tool, and this is what sometimes happens. It's also a way in which terrorists move. They are ordering terrorist campaigns by hiding behind innocent civilians as human shields, and then calling upon the international community to support them if there is a violation of human rights. So, there are very certain tactics being used by a number of terrorist groups, like in Chechnya or on Sri Lanka's north.

Globalization means that states should be responsible not only for their own citizens, but for citizens of other countries as well. But the notion of nation state is not weakening. The nation state still

has many more years to go. It is still a very young mechanism. A lot of developing countries are concerned, because we have very old countries, but new nations in the global South.

My own country, Sri Lanka, is two thousand five hundred years old. But as a modern nation we emerged into independence after colonialism in 1948. So, we jealously safeguard our statehood. And we are not ready to fold up into a greater South-Asian or Asian state. **We want to keep our national sovereignty. That is going to be very important throughout the world.** So, the nation state can continue to exist, but it has to realize that it is today one part of a large global system.

In the past, you had the Roman Empire, which was very much self-contained, contiguous unit. Then you had other empires, the British Empire, and of course you had the Western world. But today you have to take into account that the whole world is integrated, politically and economically. And there is, therefore, this greater interdependence. We must all be very conscious of the fact that any action that we do to one country will come back to us. ■

A CHRONICLE OF THE RUSSIAN PAST

Liubov Ulianova

«A Russian Collection. Investigations into Russia's History» (Modest Kolerov, Moscow)

It is the Soviet experience of modern Russian history that remains at the centre of our attention. Moreover, regardless of whether this experience is regarded in a positive or a negative light, it is Soviet history in particular that dominates collective memory and public consciousness. Academics are not exempt from this fascination. Numerous publishers (the biggest publishing house for humanities academic literature ROSSPEN, for example) and Western donors have also been focused predominantly on the Soviet period, and more precisely – on Stalinism.

It is on this backdrop that Modest Kolerov's publishing project «A Russian Collection. Investigations into Russia's History» looks rather original. Articles on pre-revolutionary Russia, mainly in the 19th and early 20th century, clearly make up the most of the 7 volumes that have thus far been published (the 6th and 7th volumes recently so: in July 2009). Kolerov's own articles tend to address more contemporary issues: from the 1921 famine to the unrecognized states of the former USSR.

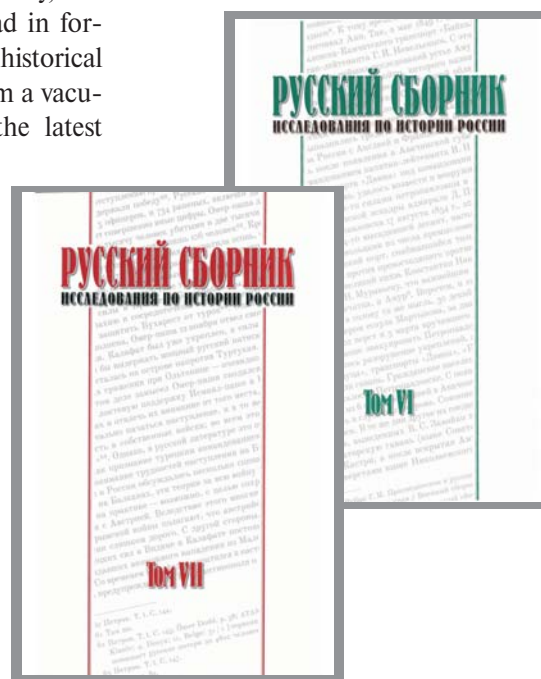
Kolerov is a unique figure. He is one of the few professional historians who have managed to unite historical research with a successful political career. An active figure on the political scene who continues to undertake academic research as a publisher and academic in his own right really is a rarity in Russia. This makes Kolerov's project particularly interesting. The diverse professional interests of the man behind «A Russian Collection» are reflected in its content, in particular in the way Russia's pre-revolutionary history is woven with the country's contemporary problems.

«A Russian Collection» is consistent with the traditionally positivist approach of the so-called «Moscow school of historians» – the majority of subjects covered concern the history of the state structure and military history. The 7th volume, for example, is entirely dedicated to the military policies of Emperor Nikolai I. The preceding 6th volume is unique in its active discussion of the history and current-day situation in several «problem» states of Eastern Europe such as Yugoslavia and Moldova, and other former Soviet states such as Armenia, Azerbaijan and Belarus. The choice of subject-matter is not by chance: Iovanovic, professor at Belgrade University and Oleg Airapetov, leading specialist on the military history of the Russian Empire are both on the editorial board.

It's worth mentioning in particular the review section of the collection. It is no secret that Russian historians, particularly those who are not concerned with foreign policy, are frequently rather badly read in foreign literature. As a result historical studies in Russia suffer from a vacuum – an ignorance of the latest trends in foreign historiography and contemporary Western research. «A Russian Collection» and its reviews alone would never be enough to remedy this issue, but it's nevertheless worth tackling. Which is what Kolerov does. Reviews of foreign literature take up a significant part of the collections. Amongst them reviews of research that has not yet been translated into Russian stand out,

although such reviews are few in number. In the 6th volume there is only one – G.N. Bibikov's review of British historian C. Emsley's book on European gendarmerie in the 19th century.

Moreover, the reviews in «A Russian Collection» serve a vital task facing Russian historians today – **giving an expert review of the historical literature which is flooding the book market year after year: a task that the academic community continue to ignore.** Classic, «serious» historical journals such as «Questions of History» and «Russian History» let such material slip, obviously considering it not worth their attention. But the influence of this plethora of literature that lies on bookshop shelves passing itself off as historical research and forming mass historical consciousness in Russia should not be underestimated. This makes the critique of such creations by the authors of «A Russian Collection» all the more important. ■



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