

PROTOCOL

Welcome

Wehmeier

Allow me to welcome you here in Moscow today on behalf of the Körber Foundation to the 122nd Convention of the Bergedorf Round Table. I am privileged to do so in the name of former President of Germany Richard von Weizsäcker, who has been prevented from attending by the snowstorm here yesterday - along with various other guests from Germany and Europe - and who will not be able to join us until this afternoon.

This is the ninth convention that the Bergedorf Round Table has held in Moscow. In no other European metropolis have we met so often. This fact underlines the importance of the bilateral and multilateral dialogues that we have been cultivating first with the Soviet Union and then with Russia for thirty years now. For the Körber Foundation this uninterrupted dialogue contains a clear message: Russia is helping to build the joint European House, as Michael Gorbachev once called it.

Without any doubt the events of September 11th cast their shadow on today`s topic and I am sure this will emerge in our discussions here. At any rate, the world`s political stage seems to have changed fundamentally since that date and I am very interested in hearing the views of the experts here at the table.

I am especially happy that Mr Yastrzhembski has agreed to start things off by outlining the Russian position and he will also chair the first session. And I am very grateful to Mr Karaganov for having so vigorously helped prepare the convention; he will chair the discussion tomorrow morning, as Mr Yastrzhembski has only limited time available.

Karaganow

Our meeting takes place at a time when everything in world politics has indeed changed and when the ultimate consequences of this change still remain unclear.

Our topic for discussion is "Russia's European Dimension and Global Political Challenges" and in this connection, the role which Europe will play under these changed conditions is, of course, of great interest. Discussion on this has only just begun but it is obvious that the events of 11th September will make a reconsideration of the European Union's role as well as of global security policies and international politics absolutely unavoidable. Europe will be forced to seek a new place in this changed world, a new identity in a world of new dangers.

I would like to welcome you on behalf of the Council for Foreign and Defence policy. As Mr Wehmeier mentioned, we have helped to organize this meeting and we look forward to a fertile debate from which I am sure we will all profit.

I now invite Mr Yastrzhembski to present his introductory address after which he will chair the subsequent discussion.

Yastrzhembski

First of all, I would like to extend a warm welcome to our foreign guests. I believe that one need only analyse the world press following the historic date of 11th September in order to recognize the topical relevance of Moscow. The issues which are directly involved with the tragic events in the USA mean that Russia has again been drawn into the focus of world politics.

If one takes care to follow and analyse what the European and American mass media are writing about Russia, it is conspicuous that phrases such as "new epoch" and "end of the Cold War" are again making the headlines. Once again, one can hear calls for the West to ensure that it does not miss its historic chance and so on.

Similar comments appeared everywhere, especially after the Russian President's speech in the German Federal Parliament and during the week and a half which preceded President Putin's visit to the USA.

I had a strong sense of déjà vu. It was as if the atmosphere at end of the eighties were returning. At that time, one could recognize the same euphoria in the newspapers although it was never actually translated into political action. However, the present situation is different from the situation then and this holds out at least a tenuous hope that on this occasion, things will not peter away into inaction. To illustrate that, I would like to mention a few aspects which show that, despite any similarities, there are some quite new factors in play in today's situation.

More than anything else, it seems to me that President Putin has managed to find the right approach to relations with the West and we can characterize that approach with the word pragmatism. The President has not only been able to find the right words, he has also followed them up with appropriate deeds and in doing so he has provided convincing proof that Russia really is acting in concert with the coalition against terror.

In this regard, Russia's decision to take concrete steps to aid the United States of America in a particular phase of its war on terrorism, throws Russia's role in the post-Soviet region into a whole new light. This decision was anything but easy for Dushanbe and, in particular, for Tashkent, and Russia's stance on the issue played an important role when it came down to making the appropriate, concrete decisions.

It is, therefore, my opinion that in this respect, the West, Europe, should rethink its traditional view of Russia's role in the post-Soviet region or at least look at it from a different angle. I say this because the ideas which have so far prevailed about certain Russian, neo-imperialist ambitions in this region have certainly proved to be very simplistic. I believe that Russia's relationship with our partners and allies in the CIS deserves a qualitative reappraisal. However one views it, these relationships proved to be extremely useful at a very critical time for the West and the USA when the coalition against terror was faced with the task of putting its aims into practice.

Another factor also shows that today's situation is different from the one which existed at the beginning of the nineties. This is the fact that in order to foster its relations with the West and the USA, Russia is asking for nothing in return. When I was in the United States prior to the Russian President's

visit, I had the opportunity to speak to various gatherings of specialists on Russian affairs. They never failed to ask: "What do you expect in return for the solidarity and support which you are giving the Western coalition?" Russia's stance is based on a decision of principle and for that reason, Russia expects no reciprocal gestures. Russia is investing in trust - in mutual trust among the countries and in trust between their leading elites. We are interested in achieving a qualitative change and a deepening in the level of relations with our Western partners. This is the sole basis on which we can create a new and practicable mechanism in order to guarantee our interests in the area of international security.

In addition, there is the issue of maintaining global security. The Western mass media have expressed the view that in the present situation, Russia represents a more valuable partner for the USA than do many NATO members - let alone the countries who have been on the list of candidates for membership up to now. This is also a completely valid observation which follows from an analysis of the situation after 11th September. It has been demonstrated that Russia's location, its interests and the possibilities open to it in the middle and central Asian regions enable it to offer cooperation of a sort which is hardly possible within NATO. I believe that this fact and the nature of the new challenges which have become apparent since 11th September, have already led to debate in Western society on the future of NATO.

As you will have been able to see from the American President's statement, we are prepared to go as far in our relationship with NATO as NATO, for its part, is prepared to enter into a reciprocal relationship with the Russian Federation. I believe that is a very new situation altogether and one which is clearly distinguishable from the situation at the beginning of the nineties. It involves the growing realization that the relationship between Russia and NATO has to change. What we have today in the form of the NATO-Russia Permanent Joint Council, is hardly satisfactory either in terms of the significance of the relationship or the level of discussions or the issues which are dealt with. What we find particularly unsatisfactory is the fact that on questions which affect both us and NATO equally, we do not reach any sort of joint decisions with NATO. For this reason, it is essential that we work together and in detail on a thoroughgoing analysis of the new opportunities which are opening up for Russia and NATO.

We fully appreciate the psychological and historical difficulties with which NATO members and the West in general are confronted when the question of Russian membership of NATO is raised. We do not want to influence our Western colleagues in any way on the issue but perhaps the difficulties could be avoided if one were to stop asking about Russia's integration in NATO.

Obviously, the idea is gradually developing on both sides that the modern world lacks mechanisms, institutions and structures which can react appropriately to the new challenges on the international scene. At present, neither NATO nor the OSCE nor any other institution is capable of performing this role. In view of this, in this Round Table debate we should pursue the question, which is already under discussion, of creating a new institution which would bring the main players, including Russia, together around the same table for joint discussions and decisions on the most vital issues such as the maintenance of strategic security, the struggle against international terrorism and the proliferation of weapons of mass destruction and other such issues.

I would like to draw your attention to a further factor. Seen against the background of recent events, Russia's demand that obstacles to its integration in the world economy and in global economic structures be removed, assumes far greater import. In this respect, we really are dealing with a situation which is fundamentally different from that of the early nineties. It is my impression that over the last two years, Russia has in a sense become a stabilizing factor in the world economy and we want to continue in that role in future. In terms of its economic situation, the conditions which obtain for Russia today are fundamentally different from those of ten years ago.

Despite the valid demands which foreign investors continue to make with regard to aspects of Russian legislation, accountancy regulations and many other matters which have up to now prevented them from working successfully in Russia, one cannot ignore the fact that the situation here is clearly improving step by step. The validity of Russia's claim to membership of global economic structures and to full integration in the world economy is growing continually. In this respect, we rely particularly on the support of the European Union, and especially of Germany, in particular as far as Russia's acceptance in the World Trade Organization is concerned. In our opinion, Russia's role in this field will become increasingly important. The latest estimates I have, indicate that over the next twenty years, gas supplies from Russia will cover around fifty percent of European demand. Russia's position in the global market for oil is also significant.

Finally, I would like to emphasize one more factor. If, against the backdrop of these new international conditions, Russia is adopting a pragmatic stance in its relations with the USA and the other Western

countries, this stance also means that we will under no circumstances, either now or in the future, lose sight of our most important national interests, especially as far as Russia's strategic, economic interests and its relations with a whole range of countries are concerned.

Karaganow

I would like to thank Mr Yastrzhembski for his interesting and informative contribution and would ask him to take the chair for the first round of discussions.

Adam

As someone who over the last 14 years has played a part in ensuring that the occasional euphoria of politicians and journalists alike was actually followed by arduous deeds at the lower diplomatic levels, I would like to remark by way of introduction that publicly stated euphoria can be useful to the extent that it can to a certain degree inspire those who have to do the everyday spadework and come up with results.

Allow me to reflect briefly on what happened on September 11th. I think we all agree that it marks a severe setback. But if we compare it to the events of 1990/91, we realize that we witnessed an immense change in the political reality although the public perception of the events required much longer to become aware of this change. September 11th, by contrast, altered our perception traumatically and immediately and we are only now gradually realizing that reality has, thank God, not changed all that much.

One consequence of September 11th, and I consider this a quite unexpected opportunity, is the fact that a worldwide coalition of nations has emerged who have set aside their differences, divergences and in part mutually-contradictory interests in order to take part in a joint campaign aimed not at some individual state but against a diffuse threat that affects us all. Quite unprecedented is the fact that not only NATO through Article 5, but also Russia and China and - to everyone's great surprise - even Iran, are supporting the United States' approach in Afghanistan, a highly sensitive region in geopolitical terms. I believe that what counts now is to give this development the political back-up it needs.

Another aspect relates to the global impact of the events. What probably shocked us all most - quite apart from the awful footage shown on TV - was the fact that someone based in Afghanistan exercised undetected control over the channels and the logistics needed to commit such a crime in the heart of New York. That, in turn, will have fundamental geopolitical consequences and they have become apparent in the course of the evidently successful military policing action in Afghanistan - as I would call it. The United States is not waging war against Afghanistan, but combating international terrorism. And if the Taliban regime had been prepared to hand over Osama bin Laden and his henchmen then it would still be ruling in Kabul.

A third consequence arises in this context. Does it actually make sense to use the term the "West" - which logically implies the opposite notion of the "East"? I think we should endeavor to clarify the concepts in use here. The situation in Afghanistan highlighted quite conclusively what we have all known since 1996 at the latest, namely that we need Russia as a partner to help us overcome the types of crises we have experienced since then. I do not want to talk of solutions here because the progress we have made has been very arduous and ambivalent.

I am thinking of the Balkan crisis where, in the final instance, everyone was happy to have brought Russia on board the crisis management team - both in Bosnia-Herzegovina and in Kosovo. I suspect no one would doubt that a durable and above all a political solution in the Balkans is not possible without Russia. This is even more apparent in Afghanistan.

What is definitely needed is for the United States, Europe and Russia to develop a joint concept in order to prevent the developments in the Middle East from again becoming a flashpoint. Again I do not want to speak of a solution. At the very least we are seeing that the hopeful approach made in Oslo has been wasted and there is the danger that radical currents on both sides will again gain the upper hand. This holds true for the Middle East region as a whole and spills over into the Mideast. I am thinking of Iraq, for example, which is still an unsolved problem that could provoke military action.

There are grounds for optimism however: the fact that the events in Afghanistan have evidently triggered new possible rudimentary avenues of political action with Iran. Here, Russia and perhaps Germany, too, could use their contacts to sound out the potential for greater flexibility in Teheran.

Another point I would like to emphasize relates to the European Atlantic defence alliance. NATO is without a doubt undergoing change and is a different institution in the 21st century than it was back in

the days when it was first set up. Lord Ismay's old adage that "NATO is intended to keep the Russians out, the Germans down and the United States in" has lost its former relevance. "Keep the Germans down and the Russians out," is hardly a warning heard in speeches today. On the other hand "to keep the United States in," remains a priority objective, especially as the United States tends, to put it diplomatically, to practise a degree of unilateralism in its foreign policy. Here, again, the events of and since September 11th have permanently influenced thinking in Washington.

The future of NATO in my view is completely open and I believe that military links will become increasingly important. The day-to-day cooperation of high-ranking officers from different countries is engendering a new military culture that could prove to be NATO's real seal of quality. The famous Article 5, for example, which has now been implemented for the first time in over 40 years, has lost any significance it may have had and it is basically just a relic from the days of the Cold War. The organized linkages that become ever more apparent as NATO steadily expands, are leading to an enduring change in the military culture among the various armed forces involved. Anyone who spends three or even six or eight years as an officer with NATO is characterized by this experience. These developments serve the interests of all European countries, including Russia. There are numerous pragmatic options available to increase cooperation step by step.

For this reason, I would advocate avoiding artificial barriers that could impair this development. Reciprocal cooperation also means that those involved accept that the others will have a say in the things that affect them.

In this context let me briefly mention the European Security and Defence Policy (ESDP) that is likely to take another decisive step forward at the meeting of the European Council in Laeken in a fortnight's time. At the last EU-NATO summit a close consultation procedure was agreed and the European Union is very interested in implementing this agreement.

I would like to emphasize that security policy in the future should not only be seen in traditional military and geopolitical terms. As we have painfully seen, the new risks and challenges can hardly be contained by military means alone. Terrorism, organized crime, illegal money transfers - which as we all know, make terrorism possible in the first place - call for a different approach in order to combat them effectively.

The example of the European Union shows quite clearly that security and cooperation are not primarily the product of agreements on military and security policy, but that through the creation of the common single market, economic interests have become so interwoven that serious political conflicts between the member states are practically inconceivable.

We should think more along these lines when considering the integration of Europe's eastern countries into the structures of the European Union. The enlargement process will most probably be completed within the next four years, at least in respect of the ten countries in the first round. Given this development, it is of crucial importance for Russia to expand and intensify its economic and trade links with this expanding European economic region. Ultimately, economic relations will put an end to the old zero-sum game of military confrontation and give birth to the insight that cooperation benefits all involved. In that case, a quite different light will be shed on the traditional issues of classical security policy. That, at least, is my greatest hope.

Joffe

What never ceases to astonish me when visiting Russia at intervals of several years, are the changes that are visible in this country. I first came here to Moscow in 1978, at the height of the Brezhnev era. At that time the conflict between the Soviet Union and the West on the deployment of so-called neutron bombs was in full swing. And there was considerable resistance in the Western camp, as I am sure you will remember.

During my stay in Moscow I once complained to my Soviet host about the awful coffee in the Hotel Rossiya. The KGB officer interrupted me and said: "Do you know what Russian coffee and the neutron bomb have in common? - They both kill people and leave buildings intact." And he continued: "Do you know what the difference is between Russian coffee and the neutron bomb? - You can protest against the neutron bomb, but you cannot protest against Russian coffee." If one thing spotlights the dramatic change this country has gone through, then it is the fact that you can now get superb coffee anywhere in Moscow.

As regards the change in the field of security, in what the experts call grand strategy, a lot has happened in this country since September 11th. This change did not happen over night, but has occurred over the last ten years, starting with Gorbachev then under Yeltsin and now it has been

completed by Putin. It has been a painful, arduous and truly dialectical process. Russian politics have not exactly evolved in a straight line but in gradual steps with occasional steps backwards, before arriving at where they are today.

During the Gulf War in 1990, Russia cooperated with the West, but in a very restrained fashion due to strong internal rivalry. I need only mention the name Primakov, who back then pursued a very idiosyncratic Russian policy that was by no means compatible with the West's policy against Saddam Hussein.

The ambivalent Russian policy persisted throughout the Bosnia conflict from 1991-95, when Russia again collaborated with the West, for example voting alongside the West at the UN, but at the same time upholding its classical foreign policy and acting as a protector of Serbia under Milosevic. This also became evident during the Kosovo conflict when a Russian military contingent staged a coup d'état and occupied Priština Airport. Relations with the West were characterized by this mixture of cooperation and rivalry, which we have witnessed in the debate over the ABM Treaty and the build-up of a US missile defence shield.

Following September 11th there has been a development of a truly dramatic change, which even surprised me. One outcome of that change was the historic 15:0 vote on the UN Security Council in favour of the military campaign in Afghanistan with the subsequent willingness of Uzbekistan and Tajikistan to support the Alliance's operations including the supply of weapons to the Northern Alliance.

In other words, Russia has emerged as a key strategic player almost overnight. I would even go so far as to say that in terms of its strategic role in the United States' war effort and policing action in Afghanistan, Russia was more important than all the US's Western NATO partners put together. Without this strategic cooperation on the Russians' part the US military campaign would certainly not have been so successful. In fact, that even took the US administration by surprise, as I was able to hear for myself last week in Washington. Without Russia's strategic support the swift successes would certainly not have been possible.

I would like to conclude by putting a few questions up for discussion. As a historian of international politics, specifically international security policy, I think the focus should be set not only on September 11th but also on Russia's grand strategy as it has evolved down through the centuries and decades. Ever since Peter the Great there have repeatedly been phases of close collaboration between the West and Russia, followed by periods of equally intensive conflict. The strategic cooperation with the Allies against the Third Reich during the Second World War is a case in point. The war was hardly over before the alliance underwent reappraisal, sides were changed, and in place of the grand alliance came 40 years of Cold War.

The history of our relationships has been one of constant ups and downs. At no time was there a truly stable relationship and cooperation over a longer period of time. Which is why I put the question: How stable is the situation which we currently find ourselves in? Russia at present evidently defines its interests in a manner that allows for strategic and political cooperation with the West - and that would signify a real revolution in the history of our relationship. What interests prompt Russia to pursue such a cooperation and how stable are they? Or are we merely witnessing a random configuration, a kind of ad-hoc alliance, shaped by the common interest in averting the danger of terrorism that threatens the security of all of us? How long will this constellation persist? Yesterday a Russian colleague answered the question by saying: Russia wants to join the club. That would mean that Russia is interested in the stable development of joint strategy with the West.

Yastrzhembski

Mr Joffe has provided us with a new criterion for evaluation. If I understood correctly, one can extrapolate the state of relations between Russia and the West from the quality of the coffee one is served in Russia. Mr Karaganov now has the floor.

Karaganov

First of all, I would like to address the subject of new challenges, the full gravity of which we have obviously not yet appreciated. I see two main problems here. The first is to be found in the information revolution, which over the last 20 years has led to a situation where poor people throughout the world, and to a certain extent in the Islamic world too, have the opportunity to receive pictures from a different, rich world. This revolution manifested itself in the form of satellite dishes which appeared in

huge numbers in many countries around 20 years ago. Today, we are beginning to harvest the fruits of this revolution to a certain extent.

This conflict exists not so much between the Islamic and the Christian worlds or between Islam and the West, as in the tension between hopelessness and despair on the one hand and relative wealth on the other. I would go so far as to maintain that the same schism also exists within those societies which are generally called Western. In these societies too, classes of people have grown up who have to suffer continual poverty. For this reason, I expect that we will soon see a new wave of terror within Western societies themselves, which will be instigated by the new "New Left". If you go into the outer fringe areas of large cities in the West, for example, you can see that the people there lead a completely different life from the one which television presents them with. And they also see that life if they travel, as seldom happens, into the city centre or visit the wealthy suburbs. These people, too, see no future and experience despair and hopelessness.

I believe that we need to think about how we can combat this problem with the aid of a political strategy and through information and education. We have forgotten that the things we produce and broadcast can have explosive consequences.

Another problem which is seldom recognized and for which I too, do not really have a solution, is the pace of change. Earlier generations were used to changes in their environment and living conditions taking place very gradually over hundreds or even thousands of years. Today, it happens every twenty years. This means that people are no longer able to utilize the wealth of experience of their parents' generation, and their own experience very rapidly becomes devalued. This will obviously have very serious social and psychological consequences for our societies and we need to take these into account.

Terrorism is without doubt the most conspicuous manifestation of this conflict and for the most part it is the expression of a completely new, social conflict. Although the nature of the conflict is quite different, in a certain sense it follows the same course of development which our societies experienced at the end of the nineteenth and the beginning of the twentieth centuries and which led to a series of destructive and catastrophic social revolutions.

The second main problem is the official proliferation of nuclear weapons, which we have failed to prevent. Quite the opposite. We not only slept through this development, we have managed to come to terms with it. As a result, our inactivity meant that those countries which have officially contributed to the spread of nuclear weapons were actually encouraged politically, morally and psychologically. For example, as nuclear nations, India and Pakistan have taken on greater importance and aroused greater interest. In addition, the technological developments involved have led to the construction of more nuclear reactors. If the leading countries of the international community do not take strict measures to halt this process, the tendency toward the proliferation of nuclear weapons will continue.

In Asia, an arms race has now begun to which little attention is paid despite its great importance. As a result, the purchase of conventional weapons has increased over recent years. In both its less developed and its more progressive regions, Asia is becoming an ever more unstable and an increasingly well-armed continent. New conflicts are arising there. Until now we have paid scant attention to these developments and instead we have unintentionally contributed to nuclear proliferation and the arms race. NATO's military strikes against Yugoslavia, for example, have meant that politicians throughout the world now believe that they have to arm for all contingencies in order to avoid a repetition of this sort of scenario. We have not recognized the longterm consequences of our actions. The same also applies to the military action against Iraq. The "Gulf War Syndrome" is still alive today and the "Yugoslavia Syndrome" is contributing to its virulence.

In Asia there is not only an extremely rapid realignment of powers; the states are also arming to an increasing degree. A regional grouping is gradually taking shape which, sooner or later, will probably lead to fundamental, worldwide changes. Whether these changes involve greater stability or greater instability, it is certain that the status quo will not remain intact.

Figuratively speaking, the Islamic and the non-Islamic countries of Asia are in the process of "casting off the White man's yoke". For a long time, they were forced in one way or another to accept our way of thinking, whether this took the form of Western values or of communism. In recent years, the elites in Asia have developed much greater selfawareness. Even where they have accepted many Western values, in particular those of capitalism, they are increasingly unwilling to follow the policies of the West. If there is one important trend in international relations, it is increasing insecurity, especially in Asia.

In this connection, I would simply point to the well-known fact that proliferation of the means of mass destruction no longer only involves nuclear weapons but also biological and chemical weapons. These are becoming increasingly affordable and more easily obtainable. Steps also need to be taken in this area, even if we are as yet uncertain as to what these might be.

During any discussion, it is easy to forget that those global problems to which we have long been used, are still with us and are even becoming more acute. I refer, for instance, to the environmental problems which will, in a few decades, lead to considerable changes and which will possibly set off new social conflicts.

On a world scale, therefore, ever greater and more unpredictable dangers are posing considerable challenges to democracy and its old system of values. Until now, we have failed to admit this to ourselves. We have contented ourselves with the idea that the threat of a nuclear catastrophe has receded, although it was practically non-existent even during the era of bilateral confrontation.

Somehow, the world has returned to its classical past, but at a much higher level. The weaponry is more powerful and more advanced. At the same time, Western civilization, more than any other, has become more fragile and the world has become more transparent as a whole. Conflicts which occur in one place in the world have an immediate effect on the overall situation. In earlier times, it was possible to wage a war without anyone else paying too much attention to it. That was the case ten years ago and it is still the case. I am thinking of the ten to fifteen wars in Africa, to which we paid no heed. That will now be increasingly difficult.

This new world order presents particular problems for Russia. We fall between two stools; between the poor and the rich, between the rich West and the poor Islamic world. We have little possibility of entering a strategic alliance in the East, even though some might welcome it. An alliance with China, for example, might lead to Russia becoming the lesser partner or, conversely, to China subordinating itself to Russia. But in any alliance with the West too, many Russians fear that Russia would be relegated to a second-rate role. At present, Russia has a leading role to play but it will, nevertheless, have to make a choice, both in the cultural field and as far as military politics and economic issues are concerned. It may be possible for us to delay our decision for another ten years but we do not know whether the West is at all prepared to go along with Russia. It takes two to tango. Russia must, therefore, make a decision and President Putin, together with large sections of the Russian population, though certainly not all, has decided. We find ourselves at the crossroads which Mr Yastrzhembski has already mentioned.

The situation is also exacerbated by the fact that we are facing a crisis of ability to provide global direction. This is apparent in the UN, and NATO is also in a very difficult position because it is not clear what its frame of reference over the coming years will include. Currently, it would seem that the only goal is extension, which would mean putting Russia off. Whatever the case may be, I believe that in its present form, NATO is totally unsuited to meeting the new challenges on security.

I would not want to talk about dismantling NATO. That would require something new being set up in its place first. As soon as any serious, new conflict arises, such as the Iraq conflict for example, NATO becomes an interesting forum for discussion just as it did at the beginning of the nineties. When the Afghanistan conflict arose, NATO again assumed the role of an interesting, high-level forum for discussion - similar to our forum here today, but on an official level. There is debate about which steps should be taken but no decisions are made whatsoever. The decisions are made in the USA or sometimes, to a certain extent in Moscow and London and, as has recently happened again, in Berlin.

A new process of re-nationalization is taking place in foreign politics against the backdrop of these new challenges. I am still uncertain as to how we will act together under these circumstances. The European Union is also in a difficult situation. At least, I am unable to see how the EU will reformulate its Common Foreign and Security Policy in the light of the new conditions. None of the EU's discussions on a common foreign policy and, in particular, a common security policy represent an appropriate response to the new challenges.

There are even symptoms of crisis in institutions such as the community of G 8 states which has not yet managed to develop into an effectively functioning body and which is increasingly falling under the influence of street cries and mass opinion. As a member of the Permanent Preparatory Committee for G 8 conferences, I am often involved in developing documents for submission to leading diplomats and negotiators. Consequently, I know what the input is and what comes out at the end. In Genoa, for example, the result was a document which was in keeping with the worst traditions of the UN: Totally superficial, devoid of content, without any real conclusions and containing only general formulations in reaction to the demands of the public interests involved.

To move on to Russia: As Mr Yastrzhembski said in a somewhat different way, Russia remains on the border and in noman`s-land. The West regards us half as an enemy and half as a partner; we fall between two stools. That is an extremely unpleasant situation for us. Before 11th September, President Putin took a strategic decision. He greatly intensified rapprochement with the EU and, despite strong domestic opposition, he began to renew relations with NATO.

Simultaneously, he improved relationships with all the leading Western nations. Following 11th September, his decision is not without risk. It is possible that we could find ourselves alone afterwards. If the war were to spread to the countries close to the former Soviet Union or if, for example, the USA decided to bomb Iraq or if the course of events in Afghanistan did not run smoothly, then Putin could find himself in an awkward situation. He is also risking the possibility that the USA and the West will kill Bin Laden and then withdraw, leaving everything much the same as it was beforehand. In that case, we would still be involved as an adversary. In other words, the alliance into which we have entered would be subject to a degree of uncertainty because there are no agreements covering certain points.

Once again, therefore, we find ourselves at an historic turning point and we have the task of solving two problems. On the one hand, there is the need to institutionalize the current alliance. That might be achieved within the framework of NATO but it would be a difficult process because NATO has its own history and is oriented towards Europe. It is hard to imagine that countries such as South Korea, Japan or China could play a role in the process. One would probably have to take G 8 as a basis and extend it by including the really important states. Such an alliance should direct its activities not only against terrorism but also against all of the new challenges as well as some of the old ones. New institutions will be needed to form the mainstay of the alliance: a committee for the exchange of information and committees for cooperation between the secret services, the customs authorities, the financial services and the police. This is far more important than military committees although they would also be necessary.

More than anything else, however, such an alliance would require a change in the way we think. We are still stuck in the rut of the thought processes of the eighties or even the se-venties although we have entered the 21st century in the meantime. We now need a structure to do what NATO and the EU once did, by facilitating a rapprochement between old enemies in Europe. We need a structure which will force us to change our view of the world and to adopt an approach fitted to meet the challenges which the new world situation presents. All this requires a common strategy which, as yet, does not exist but which encompasses both a strategy for development as well as common policies on matters such as the construction of nuclear reactors.

It would also require a new information policy with regard to the Islamic world. Over the last twenty or thirty years, neither Russia nor the West has sought dialogue with the Islamic states. We expect a fair hearing and a sympathetic reception but, leaving aside our TV broadcasts, there have been no regular discussions with leading circles in these countries. There are very few forums such as the Bergedorf Round Table to which leading figures from the Arab and Islamic states can be invited.

A comprehensive alliance of this sort would provide Russia with a way out of its unpleasant and problematical situation. It cannot be expected that all the members of such an alliance would have exactly the same interests or that they would have to adapt themselves accordingly. France, for example, by no means always subjugates its own interests to those of the United States and the same holds conversely. Nevertheless, we do need a structure which will allow us to meet the new challenges and to alter our mode of thought. It needs to be a new structure based on cooperation. I am certainly not against Russia becoming a member of NATO but I do not believe that NATO can be reorganized in a way which would enable it to achieve the goals I have mentioned. Russia`s inclusion in NATO would not provide a solution to the problems I have outlined or to the new challenges. That is why we have to consider the creation of a new alliance. I had hoped that Bush or Putin might introduce some concept along these lines but as far as I am aware, this has not happened so far. Nevertheless, we are moving in that direction and we must pool our efforts in order to accelerate the process.

Yastrzhembski

Mr Karaganov has described how we fall between two stools, or rather how we occupy two stools simultaneously. In May of this year in Moscow, we asked foreign visitors from the USA, Germany, France, England and China, who were in Russia for the first time, what they thought of Russia. Their answers were extremely illuminating. One of the most interesting responses came from Chinese correspondents who said in so many words: "In our eyes, the Russians are would-be Westerners". So, our dual orientation is also perceived as such from outside.

Karaganow

I would like to make one correction. I was not speaking in favour of dismantling NATO but was simply saying that NATO is undergoing an identity crisis.

Rahr

In the aftermath of the terrorist attacks of September 11th, President Putin has endeavored to bring Russia back into the premier league of World politics by entering a new alliance with the United States. When George W. Bush first took office, the Americans were initially not the least bit interested in a bilateral strategic partnership with Russia. Putin therefore concentrated primarily on the Europeans. However, in recent months the European Union has hardly offered Moscow a platform for shaping world politics. Seen in this light, it would seem as if it was worth Russia's while waiting to see how US interests took shape. It would now seem as if America is facing not a short but a long war against international terrorism, one that has not ended with the bombardment of Afghanistan and chasing the Taliban into the hills. At the end of the day, things may lead to a fundamental change in world politics, with both Russia and the Europeans keen not to be left out of the process of redefining the world political map. In particular, in the era following the collapse of the Soviet Union, Russia wants to avoid world politics being shaped without being a part of it.

In the run-up to his visit to the United States, Putin made many concessions to Washington. For example, following the terrorist attacks on New York and Washington he halted the military maneuver that had just started in order to avert any unnecessary irritations given the state of alert in which the US armed forces had been placed. Moreover, he offered the United States, as Mr Yastrzhembski mentioned earlier, the right to fly over Russian territory en route to Afghanistan. Moreover, he ordered the Russian secret services to cooperate closely with their US counterparts.

He then put pressure on the CIS countries in the south to likewise collaborate constructively with the Americans. He closed Russian military bases on Cuba and in Vietnam and for the first time signaled that he would seek a political solution to the Chechen conflict. During his visit to Essen and Berlin, he promised the Europeans additional energy supplies should oil supplies from Arabian countries be interrupted as a consequence of the crisis. Moreover, he promised the Americans help from Russian military labs in the battle against the anthrax attacks in the United States.

In an interview held shortly before departing for Washington, Putin stated the price he hoped to gain from the Americans for the broad concessions he had made. First, support for Russia's integration into the global economy by ensuring the country's swift acceptance for membership of the WTO. Mr Yastrzhembski and Mr Karaganov have already mentioned this.

Second, the expansion of US-Russian economic relations that have largely stagnated since the Russian financial crash of 1998.

Third, no unilateral exit by the Americans from the ABM Treaty but negotiations on a joint modification of the treaty.

Fourth, a right of representation for Russia in a changed NATO and greater acceptance of Russian policy in the CIS.

If I see things correctly, Putin is of the opinion that he can now offer the West a stable Russian partner quite different to the Russia of the 1990s. The performance of the Russian economy is indeed very promising. The deadlock on reforms in the 1990s has more or less been resolved. Economic growth is underway even if it is still modest. Russia repays its foreign debts punctually and is not taking on additional foreign loans. There is no longer the danger of Russia imploding. Much will now depend on whether Washington really needs Russia's help in combating international terrorism. President Bush, Chancellor Schröder and Prime Minister Blair would appear to no longer favour excluding Russia from NATO. But on this point there are many skeptics in the United States. In Steve Sestanovitch's recent article he warns that Russia is more of a burden than a constructive help in the battle against Islamic terrorism owing to its unresolved problems in the northern Caucasus. So there are many question marks attached to the new anti-terrorism alliance.

Will Putin, for example, be able to resist reservations within his own elite on his radical opening towards the West? Or will he share the fate of Soviet reformer Gorbachev who is almost rated a traitor in Russia today due to his unilateral concessions toward the West?

If joining ranks with the West is so important for Putin, will he terminate arms deals with countries that can produce weapons of mass destruction - something the West has repeatedly criticized? One

consequence would be that he would have to forsake new sources of financing that have recently been secured

And as regards the Americans: Are they themselves prepared to include Russia - which only 12 years ago, back in the days of the Soviet Union, was itself expelled from Afghanistan - in a future Afghanistan solution and permit Russia with US assistance to reconsolidate its sphere of influence in the Caspian oil region? Or is Washington going to rely on countries such as Pakistan and the GUUAM, including Uzbekistan, when it comes to restoring political order in Afghanistan?

Mr Karaganov has proposed a joint alliance with NATO - based on an organizational structure that as yet only exists on paper. Bush and Putin have yet to achieve a breakthrough on this point. This new structure could initially perhaps involve joint NATO-Russian reconnaissance units, satellites and the like. Moreover, cooperation between ministries of the interior are conceivable - in the battle against the international drugs trade and illegal money transfer by terrorist organizations. Furthermore, joint anti-terrorist units and peace troops like those in operation today in the Balkans are worth considering. This would indeed give today's NATO a new mission. Perhaps Russia would then cease to function as a potential enemy a lot faster than we can imagine today.

Given such developments, the differences on the question of the missile defence system that played a role during the US-Russian summit might then dissolve of their own accord - and hopefully before the NATO summit in Prague in November 2002, where the next round of expansion is to be decided.

A year ago, Sergei Yastrzhembski proposed in an interview that in the light of the Taliban attacks on CIS states, such as the bomb attack on the Uzbeki president (Russia was still in the midst of the second Chechen war), that Taliban positions be made a target for preemptive bombing raids by Russian jets. At the time the Western media sharply criticized the suggestion. Perhaps it would have been better to listen to Mr Yastrzhembski.

Nikonov

A number of historically, very remarkable events have indeed taken place since 11th September. For the first time since the end of World War II, we have seen the emergence of a common enemy for Russia and the United States, or for Russia and the West. Nothing does more to encourage rapprochement than the existence of a common enemy.

The second significant change is, as Mr Joffe and Mr Yastrzhembski mentioned, the fact that in the anti-terrorism operation, Russia has proved to be of greater value to America than the great majority of its Alliance partners, with the possible exception of Great Britain. At any rate, on the streets of Paris, Warsaw or Riga, there were no hordes of volunteers wanting to come to the aid of their Alliance partners at the front in Afghanistan.

Thirdly, Russia's image in leading political circles in America has changed. In the coalition which America built up, it is Pakistan, Uzbekistan, Tadjikistan, Saudi Arabia and Russia which are playing the most active role. Seen against this background, Russia appears as a progressive democracy in the Western mould, with a blossoming market economy. The Americans were used to comparing Russia with the western European states. They have now compared Russia with their other allies and Russia did not come off too badly at all.

The fourth change concerns the role of NATO. As was already discussed, the NATO structures played no role at all in the preparation and planning of the anti-terror campaign. Instead, an organization called "Alliance for Progress" re-appeared, whose existence many people had forgotten. There were certain indications of a change in the role and the essence of NATO, which might even extend as far as its conversion into a peacemaking organization for Europe or the Balkans.

Fifth: Fortunately, we have seen no conflict of cultures. It has become clear that Islamic culture is not a unified entity. The Northern Alliance is just as much a part of Islamic culture as is the Taliban, which it has now pushed out of Kabul and large areas of Afghanistan. All of the cultures have united against this particular element of one culture. There was concerted action by the major states against a common danger. It reminds me of the situation of the Holy Alliance against Napoleon at the beginning of the nineteenth century.

In this conflict of cultures, Russia lined up as part of the Western culture and was perceived as such. Mr Yastrzhembski cited the response of the Chinese who see the Russians as "semi-finished" Westerners. Indeed, the Chinese do perceive the Russians as belonging to the West. The question is, who do they regard as still less "complete"? In China, where history is highly valued, it is the

Americans first and foremost, and not the Russians, who are regarded as "semifinished Westerners" because American history is very much shorter.

Putin has proved to be a politician who has a thoroughly positive stance toward the West. I do not think it would be an exaggeration to say that his stance in this respect is more positive at present than that of ninety percent of the Russian population as well as ninety percent of the Russian elite. Putin has initiated some really unprecedented measures, many of which have already been mentioned. One should also not forget that he did this at a time when Russian military bases in Georgia were being dismantled, when weapons were being pulled out of Transnistria and when a whole range of other things were taking place which the Russian military did not support and which are very unpopular with the Russian population.

Putin is taking risks and a lot of Russians are now asking whether he is not treading the same strange path as Gorbachev who made unprecedented concessions to the West, ruined the country and finally managed to get nothing in return. I agree with Mr Yastrzhembski when he says that Russia is making no demands. But when it comes to the issue of how Russia's relations with the West are to develop in the future and whether Russia will join the Western club, Russia's political Establishment has asked a lot of questions which have, so far, remained unanswered. For example, is the strategic partnership with Russia reconcilable with an extension of NATO in the Baltic? For the Russian, political elite, the answer is completely clear - it is not.

Or again, is the influence which Russia currently exercises on the territory of the former Soviet Union, in the central Asian states, in Transcaucasia, a negative factor, as it has so far been perceived in the West, or might it perhaps be a positive factor after all? And in this case, should one not encourage Russia to extend its influence within the CIS instead of struggling to curtail it as has happened so far?

Are there good and bad terrorists? The bad terrorists who are being fought in Afghanistan and the good terrorists who are being fought in Chechnya? How long can this distinction be maintained? Is the European Union prepared to recognize Russia as a country with a market economy, to open up EU markets and not to discriminate against Russian goods? Why are greater concessions made to some alliance partners than to others? Economic sanctions against Pakistan were lifted immediately but the senseless Jackson-Wenick Clause is still in operation against Russia and, even in the bestcase scenario, it will not be lifted for another six months. Of all the possible courses of action open, the most lengthy procedure was chosen.

Does Russia want to join the "Club", as it has been called here? Basically, Russia has wanted to belong to it since the times of Peter the Great. The problem is that Russia was never allowed in. Even now, a great deal depends on the answer to the question of whether the West wants to see Russia in this club. So far, there has been no answer, not even the hint of an answer. In our discussions here, we have heard that the relationships between Russia and the West will turn into a strategic partnership as soon as they are institutionalized. What form is this institutionalization expected to take then? Does it mean that Russia will be accepted into NATO and into the European Union? That is hardly likely to be the case.

Nevertheless, I remain optimistic. At present, the powers of imagination in leading political circles in Russia and in the West are obviously not sufficiently well developed. But that will improve when it is realized that our common enemy will be around to occupy us for a long time to come. If it takes not just one year but perhaps five or ten years of joint action to conquer this enemy, then the imagination, which is essential for the creation of a new world order, will also develop.

Yastrzhembski

I believe that Mr Nikonov has provided some thought-provoking ideas which will serve to fuel the fire beneath the cauldron of our brainstorming session here. I would appreciate it if these ideas could be picked up in the course of the next contributions.

Ruhnau

Politically the new form of cooperation in my view is developing into a relationship between equal partners. Organizations that arose during the Cold War are increasingly obsolete. We are hearing less and less of Mr Solana and his colleagues. Instead the major nation states are playing a stronger role.

Mr Nikonov is now calling for economic equality. However, that is a question that must be decided within your country. As long as 80 percent of Russia's exports are raw materials and 80 percent of its imports finished goods, you are not an equal partner in the global distribution of economic roles. Membership of the WTO might help there, but it cannot make up for Russia itself taking the initiative.

If Russia is not in a position to export automobiles that meet the German TÜV requirements for road-worthiness, then there can be no talk of Russia being excluded from the German market as the focus is solely on the level of quality necessary. For the last five years, no civilian aircraft have been built in Russia and as a consequence the competent Russian engineers have moved to Seattle or Toulouse. In this respect you must create the necessary environment. We can provide assistance, but we should avoid any sort of missionary activity. Any form of patronization will be rightly rejected at the Russian end.

Alexander Rahr has asked: Why did the West not listen better to Mr Yastrzhembski a year ago? Well, such warnings have been broadcast from various quarters in recent years and following September 11th, we are taking new notice of them. In 1996 Samuel Huntington detected what he called "clashes of civilizations", a topic that deserves serious consideration. In place of the Cold War we are seeing ethnic conflicts that are rooted in different cultures. Back in 1970 Walter Lippmann pointed out that there would be no more major wars leading to self-destruction of the states concerned, but that international terrorism would be the great challenge of the future.

Today, NATO is nothing more than a debating club that hardly decides anything. The fact is that, however much one may regret it, decisions are taken by the powers that are able to assert their political ideas with military power. For this reason I also consider it quite legitimate that the Russian side repeatedly asks what the significance of the NATO expansion is. We in the West must ask ourselves the same question. What would membership of the Latvians in NATO actually offer us in terms of enhanced security? My personal answer would be - in real terms, nothing apart from trouble.

We should also consider the historical experience which the Baltic states, and in particular Poland, have had with Russia. It should not be forgotten that it was the Poles who occupied Moscow for the longest period - Napoleon was only there for a day and Hitler did not even manage to get to Moscow. Politics must not ignore such sentiments. But to put it bluntly I myself consider the eastern expansion of NATO pointless - that is politics of the past.

I do not wish to decide whether the topics that have been raised are more an issue of cultural conflicts or, as Mr Karaganov suggested, one of social conflicts - both are undoubtedly the case and it is hard to imagine coexistence between luxury and poverty. The fact that the tension in the Islamic world is to a great extent triggered by the fact that the younger generation is faced with no prospects for the future is something I do not wish to question. In Algeria, for example, youth unemployment amounts to 60 percent. We know from experience in Germany in the 1920s and 1930s that the lack of future prospects drove the working class into the arms of the SA.

In addition, the 1825 year olds in the Islamic countries make up 18 percent of the population - compared with ten percent in Europe, 12 percent in Russia and 13 percent in the United States. Young societies, as history reveals, tend more strongly towards revolutionary dynamism.

We should also not forget that the leading cadres in terrorist associations today are almost exclusively made up of members of the upper classes in the countries in question. In other words, the formula of luxury versus poverty does not really hold either; the topic is actually far more complex.

Another insight to be gained from September 11th is that the key players on the world stage are not the international organizations - they are required to administer processes - but the nation states, and the latter are guided more strongly by their interests and not by ideologies, which is really not a disadvantage. And the larger the European Union is in terms of member states, the more it will become a free-trade zone and perhaps thus more open towards cooperating with Russia.

About ten years ago a book came out called "The happy years - Russia and Germany" in which the author Cykon put forward the interesting hypothesis that NATO, as the Western military alliance, should retain its old structures but not its old spirit. And the new spirit, he proposed, would require treating Russia as an equal and finding new forms of cooperation with Russia in order to restore the old cultural unity between Russia and West Europe.

Sidirov

The issue of NATO extension has arisen in a number of speeches here. This observation alone highlights the fact that today we are dealing with a global challenge to European security and with its consequences for developments both worldwide and in Europe. It is my impression that the events of September have not only not made a solution to these problems any simpler but that they have, to a certain degree, made them more complicated. If one analyses comments made by Western politicians and political scientists, then two schools of thought have now become apparent.

One school of thought argues that Russia's participation in the struggle against international terrorism and the need to strengthen cooperation in this respect, necessitates a postponement of the question of NATO extension. The other school supports the exact opposite view, that the events in the United States and the necessity of the war against international terrorism mean that an extension of NATO is even more urgent; all the more so because Russia has itself become convinced of the value and expediency of cooperation with the USA and the European states.

There are currently four models under discussion as to how this problem can be approached. The first would involve a temporary halt to NATO extension. The second would mean limited extension; Slovenia and Slovakia but not the Baltic states. Some hold the view that Lithuania should be included but not, for the time being, Latvia and Estonia. The third model involves absorbing all nine candidates simultaneously. And finally, the fourth model suggests that one should declare an intention to accept all of the candidates but limit acceptance initially to just some of them.

Even the proponents of each of these models recognize that none of them is completely convincing and that each has its advantages and disadvantages. However, one thing remains clear, whatever the case: A decision in favour of any one of these courses is of decisive importance for relations with Russia and its role in Europe and the world.

Mr Brzezinski recently stressed the need to create a convincing context for further rapprochement between the West and Russia so that Russia could be placed in a position to make the right choice. It must be said, however, that currently and for a number of reasons, foreign policy issues come nowhere near the top of the list of priorities as far as Russian public opinion is concerned. That certainly comes as no surprise because in Europe and the USA too, there are other issues of greater concern to public opinion than foreign policy.

In Russia, however, that situation could change fundamentally in the very near future when the time comes for a decision on NATO structures and when plans for extension are clarified. I believe that the election campaigns for the Duma and for the presidential elections will begin around the middle of next year in Russia. That may well also be the reason why Mr Yastrzhembski mentioned that he had been asked in America about what Russia expected in return for its cooperation with the USA in the war on terrorism. I think that the Russian public quite rightly expects the West and NATO to show a greater appreciation of and to pay greater attention to Russia's concerns. Future developments will depend on contacts at the highest level and primarily on those between our president and the leaders of the NATO countries. An extremely difficult dialogue is imminent there, which will have a lasting influence on public opinion in Russia.

A further aspect of the global challenges facing Europe concerns the internal crises in various states. This became apparent as long ago as the beginning of the nineties, particularly with regard to former Yugoslavia. In such cases, consensus among the European partners on how one should react to situations of this sort, is absolutely essential. At the moment, no one can guarantee that similar crises will not arise on the continent of Europe or in the neighbouring regions, which would have direct consequences for Europe.

Even the events in Afghanistan, and especially the flood of refugees from that country, will influence the situation in Europe and European security. Fortunately, in this case, hardly anyone has dared to talk about so-called humanitarian interference or intervention such as that which took place in Kosovo. Nevertheless, that does not obviate the problem of humanitarian actions when events such as this occur in a country. This illustrates just how essential it is to strengthen the dialogue between Russia and the European states in this respect.

Here, some criticism has been directed at the UN. As someone who has been concerned with the UN for more than twenty years, I regard that criticism, for the most part, as valid. Primarily, it concerns the enlargement and reinforcement of the Security Council in order to increase its authority. I do not believe that this will be possible without more active Russian participation in the formulation of the issue, especially when it comes to the matter of including further permanent members, key states from Europe or other continents, in the Security Council.

The subject of G 8 is one which is of particular interest to me as I was the first Russian chief negotiator and was involved in that capacity with the preparations for the summit in Denver. To add to what Mr Karaganov said, I am sorry to have to conclude that there is no mechanism for putting the decisions made by the G 8 heads of government into practice. In reality, enormous effort is invested in preparing and formulating documents for presentation to the heads of government and the documents are subsequently approved at the highest level. After that, a pause ensues and the period of preparation

for the next summit begins. No mechanism exists for implementing these decisions. This, too, is a point which we Russians will have to consider jointly with our European partners.

Medish

As an ex-official in the US government, looking at the recent period of US and Western relations with Russia, I am deeply struck how quickly things change or at least how quickly perceptions of things can change.

Not too long ago what passed for analysis of Russia in Washington was the question: "Who lost Russia?" The answer by the way was Larry Summers and Strobe Talbott and probably me at a lower level. But now it appears that the Bush Administration has very quickly found Russia again; where the Clinton Administration appeared to lose Russia. One could conclude that US foreign policy analysis is based on our highly volatile stock market mentality, in other words, shifts from bull to bear markets. Often it seems that our analysis of Russia and other important countries reflects as much our own emotions and ideological commitments as it does developments in those countries.

I would contrast the Clinton and Bush bull and bear approaches to Russia as follows: the Clinton approach involved vision, perhaps hypervision, and the Bush approach so far this year has involved double vision, a mixture of containment and engagement, never quite sure which. My own view is that Russia's post Soviet transition should be seen in a longer perspective, notwithstanding the very clear "coffee revolution" that Josef Joffe described. The plausible story lies somewhere in between, reflecting a balance of reform and resistance, a fairly consistent direction of modernization and integration, but with some very strong head winds and setbacks.

The lesson for me is to avoid euphoria whether at the elite level or in public rhetoric but at the same time not to miss opportunities for breakthroughs, big and small. In the context of September 11th, the question is whether the new phase of the Russian-Western relationship is a tactical marriage of convenience or a strategic opportunity for fundamental realignment. I think the best approach is to fear the former but work for the latter. This applies to both sides. It takes two to tango, as Sergei Karaganov said, and success will require concerted, sustained and sincere efforts from the United States, from Europe and from Russia. We have been through this cycle before, overadvertising the possibilities and then quickly engaging in accusation and recrimination when things do not work out as promised. We may be less naive after September 11th, but still have to be careful of this risk of overexpectation.

The second set of risks, I think, involves one-dimensionalism, the risk of placing too much emphasis on a single dimension, the talk of a common enemy. I would say that, of course, we have a common enemy but counterterrorism or anti-terrorism is a necessary but not a sufficient condition for global integration. The process of globalization and genuine partnership call for a lot more than merely the elaboration of a strategy of anti-terrorism. We have all been working on that for years - the broader agenda that is - including economic and political dimensions and other security dimensions beyond terrorism.

The third set of risks I see is of black and white analysis, with-us-or-against-us, a philosophy that President Bush stated very eloquently and very forcefully in his address to the US Congress shortly after the attacks. "With-us-or-against-us" may be a good basis for a military strategy, a good basis for a military coalition. It is not necessarily a very good strategy for globalization because it misses all the nuances and it may miss some opportunities as well. The case of Iran comes to mind.

So will it be a strategic opportunity or merely tactical opportunism? I think the answer depends on some profound questions for both Russia and the West, and the US. Does Russia, its leadership, its people, want to embrace the norms, the principles, the philosophy, the values that clearly underlie many of the Western institutions such as NATO or the EU? Or does Russia want to continue to approach these institutions with a degree of distance and the right to opt out of the common philosophical basis at times? It is extremely encouraging that President Putin and his team are approaching the examination of national interests with an open mind, with a fresh spirit, with a very modern attitude of pragmatism. There seems to be a reassessment of some old antagonistic assumptions about the relationship between Russia and the West. And this is very encouraging. But at the end of the day it will take more than pragmatism to serve as a foundation for integration; motives, philosophy and values matter as well.

This brings me to an equally profound set of questions for the United States and the West, Russia's partners. Mr Nikonov anticipated the question I have in mind. That is whether the West is prepared to take Yes for an answer. Are we ready to take Yes for an answer? Mr Nikonov said that there hadn't

been very many hints on this question. I think the problem is there have been hints but there are no plans and there is no consensus. There have been some rather titillating hints if you listen carefully to speeches of political leaders. General Powell has spoken of the fact that this is not just the post Cold War world but the post post Cold War world, emphasizing that we have gotten beyond the definition of the relationship as action/reaction and gone to something possibly bigger. But this is yet a hint. What can it be? It's too early to tell.

The post September 11th situation is what economists would call a high variance situation. Expectations are high but so are anxieties. There are some very good plausible scenarios and there are some very bad plausible scenarios about how the relationship could unfold, based on the expectations and the anxieties I described. All depends on how both sides conduct themselves. September 11th was not a magic moment. It may have been the beginning of an opportunity but the opportunity has to be seized, it has to be worked for, day-in and day-out through hard diplomacy. The question for the US is whether we can achieve a mature form of engagement, not just with Russia but with the rest of the world. Or will we continue to be the victims of our own volatility, a kind of soft schizophrenia?

On the Russian side there are equally deep questions. Is there a deep domestic opposition to the new thinking that is coming from President Putin's team? How real is that opposition? Is it a reasonable opposition, is it an opposition that can be convinced through arguments and through evidence? Or is it ideologically dug-in? We have yet to see.

Then there are questions about domestic reforms, political and economic, and Russia's performance on a number of security issues already mentioned, such as non-proliferation and foreign policy towards the countries of the "near abroad" and so forth.

Very briefly let me just respond to a question Alexander Rahr asked: Does the US really need cooperation from Russia in the campaign against terrorism? What I think is very interesting about that question is that I have heard the same question from colleagues of mine in Paris, Rome, London and Berlin. So if Russia itself asks this question, it should not feel alone because the US has taken a rather particular approach to conducting the active campaign in Afghanistan. The one possible exception is, of course, the involvement of the United Kingdom. But as you will have noticed from recent news even the presence of British troops on Afghan soil is now raising very difficult questions about the wisdom of a wider coalition in respect of the direct military activities.

Only one comment to Mr Sidorov on the G 8. Again, here, Russia should not feel all alone in its view that the G 8 mostly prepares papers for the next G 8 meeting. It was the same when it was just the G 7, I can assure you.

Smolar

I will speak from a Central European perspective or more precisely from a Polish perspective. Immediately after September 11th, there was very strong support for military solidarity with the United States in Poland. This is still true today. Surely the role of Central Europe, of Europe in general, is not very important. This applies not only to the European Union but also to NATO. At the same time there was a real fear of direct military engagement in our region. The real ambiguity in Polish public opinion was directed towards the new relationship between the West and Russia. This was not reflected in the attitude of the political class where the relations with Russia are much better than in the past.

People perceived the danger of a certain marginalization of Poland, of the Central European agenda, including the structures of security to which we attach extremely great importance. This is especially a problem of NATO. Immediately after September there was a feeling that NATO and EU enlargements are endangered. We still have that uneasy feeling, although we are repeatedly assured that the process of European Union enlargement is unstoppable.

There is a problem also of the definition of NATO. Paradoxically, Central Europe entered into NATO and dreamed about the NATO of the Cold War; the NATO whose objective was - as described by its first Secretary General - to keep Germans down, Americans in and Russians out. In view of the good relations with Germany the first part was not the most important. The most important aspect for us is the presence of the US in Europe and also to have an assurance against Russia. It is quite clear that today there is a need to redefine the situation in a radical way and that we are today defining enemies and friends in different ways. As Mr Nikonov said, it will depend on whether we have the same energy as today for a long time. If we do not, the situation can change once again.

But there are a lot of factors in favour of perpetuating the new perceptions of international relations, although probably there will be a lot of problems with the new structures proposed here. For many

reasons the problem of democracy and human rights will probably not be as high on the agenda of the West and especially of the US as in the previous decade. The metaphor has already been used comparing today's situation to the formation of a sort of Holy Alliance in which security has much higher value than freedom.

It is obvious that in the West nobody speaks any more about Chechnya and, in American policy, some countries are no longer criticized as before. Even Belarus is now supporting the US policy and is a member of the alliance against terrorism. Nobody can really criticize Pakistan, Russia, China. Human rights and freedom are off the agenda. It is very important to find a certain *modus vivendi*, a certain equilibrium between these different values.

There is also the problem of "good terrorists" and "bad terrorists". We have seen a lot of hypocrisy about it. There is a real problem of the movements of national independence which are using terrorism. I think that terrorism as a common enemy will not be enough to ensure the cohesion of this large alliance against terrorism which has now been formed. Everybody has his own terrorists and this will provide us with a lot of conflicts. If the US moves into Iraq in the next stage, this alliance will break down very quickly.

In other words: There is a problem with the nature of terrorism. This is not a territorial enemy, this is not an enemy you can have a continuous war with. From time to time there will be a dramatic tragic event and there will be some reactions. This is the problem that needs a redefinition in international relations. This is a problem of original conflicts and their very dangerous spillover effects. It was already mentioned that when the Soviet Union left Afghanistan, this country was abandoned by the US and nobody tried to ensure any degree of stability there. We can quote other examples. This policy cannot be upheld in Afghanistan because these are extremely dangerous developments. We will then have a failed state with the results we already know. Failed states become gangster states or terrorist states. So there is a problem of regional conflicts and a problem of failed states for the international community; a problem which is extremely difficult and which cannot serve as a foundation for a larger alliance in the future.

Yastrzhembski

As I acted as a long-term, presidential adviser with responsibility for the informational support aspect of the anti-terror operation in Chechnya, I must comment on some of Mr Smolar's theses on Chechnya.

I would like to remark that we in Russia do not regard our growing cooperation with the West and the USA, both on maintaining strategic security and in the war on terrorism, as being contradictory to the maintenance of human rights. We are well aware of the concerns which the West has in relation to some aspects of the current realities in the Republic of Chechnya.

The Russian political and military leadership devotes constant attention to this subject. The dozens of military personnel, soldiers and officers who have been condemned for their crimes in Chechnya, provide proof that we are at pains to find a solution to this problem. We may not do it in the way that others might like to see it done but we start from the precept that irrespective of who commits a crime on the territory of the Republic of Chechnya, that person must be brought to justice and punished there. For that reason, our current cooperation must obviously take place with due regard to human rights and interests and must ensure that these are protected. I think we share the same opinion on this problem.

Lukov

At the beginning of our discussion, Mr Yastrzhembski asked how one can prevent the present euphoria from disintegrating into further disappointment on both sides. I know only one effective means of preventing this and that is to get to grips with our common tasks more quickly. I therefore suggest that we should first of all discuss the concrete, joint tasks which face us with regard to countermeasures against terror so that the current operation can be successfully concluded and tragedies such as that of 11th September can be prevented. Secondly, we should think about which institutions and organs could be involved in the work.

On the concrete tasks first: I believe it is immensely important that we do not lose sight of the economic and humanitarian aspects of the present anti-terror operations in Afghanistan. I am concerned that the general public is in the process of doing just that. In wide areas of Afghanistan, the Taliban's power structures have been destroyed. As evil as they may have been, in their time they at least provided a minimum degree of organized authority and ensured that some provision was made

for the population. Now, not even that is guaranteed any longer because the Northern Alliance is, understandably, putting every resource into the armed struggle. The international community, with the UN at its head, must take action on this point. Far more humanitarian aid is needed than is currently being supplied.

We must also be aware that we are facing one of the truly anti-globalistic groups here, which might have the support of 380 million people from the Middle East to Pakistan and which have many thousands of millions of dollars at their disposal. In addition, they have fanatical fighters, training bases and arms supply sources.

That is why President Bush is right when he says that we are dealing with a long-term struggle in which the most important, strategic factor is the re-orientation of the social and economic efforts of the UN, the IMF and the International Bank for Reconstruction and Development in order to overcome all the deficiencies which have accrued in this region of the world. That is not a concession to the terrorists but an admission that this region was to a certain extent forgotten after the end of the Cold War and that it has become a field of conflict with all the social and economic consequences which that entails in a number of these countries.

For this reason, our partners in western Europe and in the USA should keep a very close eye on the course of present events in Iran. I believe that signals are now coming from Teheran which indicate an interest in an improvement of relations. With this in mind, I believe it would be counterproductive to view Russia's cooperation with Iran as if it might damage Western interests and threaten strategic security in the region or endanger the nuclear and missile non-proliferation process etc. These signals which, it must be added, have yet to be confirmed by any sort of concrete proof, are regarded in Teheran as running counter to Iran's national interests. Of course, that also involves the whole network of sanctions with which the country is confronted. The world community has been driving this region into poverty for decades and, in so doing, it has fanned the flames of fanaticism. It is now time to redress these errors and Iran would provide an ideal proving ground. The same could be said for Iraq.

In my view, it is a matter of urgent necessity that we take a serious, strategic interest in this region, particularly as far as the social and economic dimensions are concerned. There can be no doubt that the anti-terror campaign must be seen through to its conclusion because retaliation against Bin Laden and those who aid him is essential.

I come now to the institutions and means which we might employ jointly to continue the war against international terrorism. The West should take a fresh look at the structures which Russia and its partners in central Asia have actually employed in their cooperation against terrorism. I would cite the Agreement on Collective Security as well as Russia's bilateral agreements with these countries on military cooperation, both political and technical. The time has come to abandon the thesis, which was misconceived from the start, that all of these structures are no more than attempts by Moscow to maintain the remnants of its imperial influence in the region.

I would recommend that you make a serious study of the experience gained through the Agreement on Collective Security and its anti-terrorism structures, as well as that of the Anti-Terror Centre within the framework of the CIS. I believe it would also be valuable to consider cooperation between NATO, the EU and those structures which exist in the post-Soviet region. The same also applies to the Shanghai Organization for Cooperation, in which China participates. Here, it was quite rightly demanded that the unity of the anti-terror coalition be maintained even after the successful completion of the operation in Afghanistan. In this regard, a dialogue between the Western structures and the Shanghai Organization for Cooperation would certainly lead to positive results.

Mr Joffe was justified in asking about the reliability of Russia's decision in favour of cooperation with the West after 11th September. My reply is that the reliability of Russia's decision will increase as the West's openness in its approach to our interests, and especially those in the economic and security sectors, increases. It has been said here that we should be more pragmatic in our dealings with others and I would point out that nothing is more pragmatic than economic interests. I would strongly contradict anyone who maintains that Russia is consciously delaying its own integration in the world's economic structures through its weak economy and its technological deficiencies.

To quote a concrete example: With regard to Russia's membership of the WTO, I do not agree with Mr Ruhnau that Russia's industrial products do not meet the technical standards of the Western marketplace and that that is the reason why Russia is not accepted into the WTO. In the negotiations, the demand has been made that we must first bring our legislation into complete alignment with the WTO's standards before we can be accepted. From that, it is clear that a period of between five and

seven years is being assumed before we are granted entry into the WTO. No similar demand has yet been placed on any other candidate wanting to join the WTO.

Finally, I would like to mention the negotiations between Russia and NATO on closer cooperation. I have noticed a little envy in the western European mass media whenever the subject is raised of the new dimension in American-Russian relations following the events in New York and Washington. Thoughts are expressed as to whether, given the circumstances, one should not attempt to brake the dialogue on the creation of new structures between Russia and NATO a little. The euphoria and the emotion should be given a chance to die down first and then, in the cool light of day, one could begin to calculate, millimetre for millimetre, just how close Russia is to be allowed to the structures of NATO.

There is another argument which says that Russia should be given some sort of concession in order to tone down the second round of NATO extension. This is the light in which the purely symbolic suggestions for changes to the structure for Partnership and Cooperation, which Mr Yastrzhembski mentioned, should be viewed. However, I believe that in Russia, the time for such a simple NATO sales strategy has long since passed. Our public is not buying it. We have all become pragmatists in the meantime and our first question is what it means for Russian security. Then, it quickly becomes clear that what is on offer is only another superficial discussion, a talkshow as Mr Karaganov called it. If that is the case, there will be a great deal of disappointment in society as far as fundamental cooperation with NATO is concerned. I do not think that we should allow such flimsy proposals to bring the debate on more substantial cooperation between NATO and Russia into disrepute.

A few remarks on the instruments which could be used to reinforce cooperation: Mr Karaganov tended toward a negative view of G 8 meetings because they did not fulfil the high demands which the international situation currently places on us. I have been involved in the preparation of G 8 conferences since 1995 and, whilst I agree with Mr Karaganov on the one hand, I judge things differently. Certainly, G 8 has no permanently active mechanisms. But it was, in fact, created for other purposes, in order to direct certain events, and it was meant to be more a sort of process than a structure. Nevertheless, G 8 meetings are meaningful and they should, for example, under no circumstances take over the role of the UN Security Council. However, if we do actually inject organizational and financial resources into some sort of permanent structures which are beyond the influence of the Security Council, then what will happen is precisely the thing which Mr Sidorov warned about; namely, that the central role of the Security Council will be lost.

I would point out, however, that G 8 is by no means as incapable of action as it might perhaps seem. For example, many of the twelve agreements on anti-terrorism which are currently valid worldwide, came into being on the initiative and under the guidance of G 8 members. Within the framework of G 8, there are also two working groups which develop concrete recommendations for the authorities of the participating states on combating organized crime and terrorism. These are the so-called Lyon Group, which has a larger membership than G 8, and the Anti-Terrorism Group.

As a further point, I would mention that for the first time since its foundation, in Genoa the G 8 states decided to set up a fund of 1.3 thousand million dollars as a financial basis for combating a whole range of dangerous diseases worldwide. Russia contributed twenty million dollars to the fund and this represented its first contribution to G 8's financial programmes.

Finally, a word on Chechnya: I would simply like to point out the fact that according to Northern Alliance troop commanders, a large number of Chechen mercenaries have been taken prisoner whilst fighting in Afghanistan in the 055 Brigade. Information from the Russian Secret Service, which was also made available to our American colleagues, indicates that there are up to 1500 Chechen mercenaries in Afghanistan at present. The bases which were attacked by American fighter-bombers are, by the way, the same bases which were identified, particularly by Russian sources, as training bases for Chechen fighters. As the Russian President has already announced, we are prepared to publish the name lists of a unit consisting of several hundred Chechen mercenaries who are preparing to transfer from Turkey to Afghanistan. In view of facts like these, I think that we can regard the question of whether Russia is dealing with a national liberation movement or terrorism in Chechnya, as having been answered once and for all.

Yastrzhembski

On that note I close the first session of our discussions.

Karaganow

We now have a very interesting topic for discussion and it is one which was touched on in the previous session. Our topic is the struggle against terrorism. Our main speaker on this point, Mr Kovalev, is the Deputy Chairman of the Security Committee and the ex-Director of the Federal Security Service (FSB). Mr Kovalev ranks amongst the very few leading experts on this subject in Russia and, indeed, worldwide.

Kovalev

This topic involves very concrete issues, whether we are dealing with the fight against terrorism, against drug trafficking or against corruption. I think that the time has come to look at the interrelationship between these problems because it is obvious that drug trafficking cannot exist without corruption and that international terrorism cannot exist without the money from drug trafficking.

I would like to present my personal views on the subject. I regret that we did not succeed in warning the Americans of the impending danger. In June this year in the USA, I spoke with a number of leading politicians in the State Department and in Congress where I emphasized one point in particular: When the USA abandoned a global security policy in order to pursue a security concept oriented solely toward a single country, the possibility of defending itself unfortunately ceased to exist.

I said at the time that this would lead to the unification of all sorts of terrorists and I believed that we would have to reckon not only with the use of chemical and biological weapons but also with strikes against nuclear facilities. I thought that we would have at least another year to work out a new system of global security but, unfortunately, the terrorists have not given us that amount of time.

On 11th September, the international terrorism about which Russia had long been warning the world community, became an actual threat to the whole of humanity. At the beginning of the new century, Russia became the first of the major states to fall victim to this international terrorism. The preciousness of a human life and the grief at the loss of relatives is the same throughout the world wherever innocent people lose their lives, whether it is beneath the ruins of the 100-storey towers in New York or under the rubble of 5 and 9-storey blocks of flats in Moscow, Caspisk, Buinaksk and Volgodosk. What is important now is that it is recognized everywhere that the guilt for all of these tragedies lies with the audacious terrorism which, up until now, has not been countered as it should have been.

Regrettably, throughout the world, we have concentrated too much on competition and confrontation and in many respects we have only been tackling imaginary threats. And, it must be said, the same applies to our secret services, which set their sights on imaginary enemies to a large extent whilst the real enemy, international terrorism, was able to develop and unite. Diverse cultures and ethnicities are not a problem among terrorists. By now it must have dawned on even the fiercest European and US critics of Russian policy in the northern Caucasus, why it is that Russia is engaged in such a resolute and unwavering struggle to destroy terrorism on its own territory. Russia knows from its own experience what modern, international terrorism means.

Today, international terrorism is promoted by large and very rich extremist organizations which support it both financially and with modern weapons. It is capable of mounting effective actions ranging from individual terrorist attacks to large-scale acts of war against regular military and police personnel.

Alongside terrorist activity in the northern Caucasus, on Russia's southern borders and in the central Asian states, the ongoing military conflicts in Afghanistan and the activities of the terrorist organizations controlled by Bin Laden have represented the most significant destabilizing factor of the last few years. This is why Russia has a special interest in seeing that the goals which the international community has set in Afghanistan are achieved. However, the Soviet Army's ten years experience of war under the special conditions which exist in Afghanistan has shown that one cannot rely solely on the effects of missiles and carpet bombing. No quick victory can be expected, at least not against the terrorists who are holed up in the mountains.

I know from my own experience that Afghanistan holds problems for any sort of military operation. One of the main problems is the innumerable hollows which are deep enough to provide cover for individual fighters and act as natural foxholes. Only a direct hit has any effect on these. It has also been shown that, as a rule, bombing results in ten dead civilians for every three wounded fighters. I have the impression that in many respects, the USA and the whole anti-terror coalition are repeating exactly the same mistakes which our own forces made in Afghanistan. And, of course, one must never underestimate the immense potential and the fighting spirit of the Islamic fighters.

We should bear in mind that long before the US Air Force action began, Bin Laden had financed and directed the creation of a network of 28 training bases in Afghanistan for fighters from places such as

the northern Caucasus, the central Asian states, China and other countries. Afghanistan has drawn around 20.000 mercenaries from Algeria, Bangladesh, Egypt, Jordan, the Yemen, Morocco, Syria, the Sudan and Tunisia as well as Pakistani volunteers from radical organizations. These people have not just fought alongside the Taliban and the Uzbek Islamic Movement. They have also drawn up plans for destabilization of the Arab countries or Pakistan in case the situation there should prove favourable for them.

There can be no doubt that a powerful bridgehead has been established in Afghanistan for international terrorism which is intent on extending its sphere of influence to the surrounding regions in central Asia, China, Russia and Pakistan and which will not easily relinquish the high ideals of Islamic Fundamentalism. For this reason, I would warn against placing too much confidence in any military successes which the USA and the coalition against terror might have and against believing that they will drag worldwide, international terrorism out by its roots. That would be rash and it could prove to be an illusion. That is why we must make it our common, global and strategic goal to find new means of combating international terrorism.

In pursuing this goal, in Afghanistan in particular, the role of the drugs mafia must not be forgotten. In that country it is especially easy to recognize how these two evils feed off each other because the development of markets for drugs provides the terrorists with fresh sources of finance. This connection cannot be destroyed with bombs. Over recent years, the Taliban leaders have used every means possible to promote the production of narcotics and their sale in the USA, Russia, Europe and in the countries of the Persian Gulf. Experts estimate that the annual profits of the Afghan-Pakistani drugs mafia exceed 10.000 million US dollars. This is one of the main sources of revenue for the Taliban movement which made a proportion of it available for terrorist activity.

Before the military intervention of the alliance against terror, a total of 4.7 thousand tons of raw opium with a yield of 47 tons of pure heroin, was produced in Afghanistan. Unfortunately, air strikes and the use of elite units are powerless against this sort of highly organized production which targets its markets and is continually expanding. The international community needs to ask itself how the supply channels from Afghanistan will change when the biggest drug factories have been destroyed and what situation we can expect to have to deal with in the future. Even the experts do not have any clear answers to that.

It is, however, encouraging that cooperation in the fight against international terrorism is gradually taking shape at a regional and bilateral level. To date, a total of twelve fundamental, worldwide conventions on the struggle against the various manifestations of terrorism have been drawn up of which, as is well known, Russia has signed most. However, up to now, these agreements only exist on paper and are not yet being put into practice.

There is still no consensus on one essential point; the definition of terrorism. It is therefore both appropriate and urgently necessary to involve legal experts, politicians and parliamentarians in the task of developing such a universal definition. There is also still controversy over the status of national liberation movements and their use of weapons which, as we all know, are not only used against military forces but also primarily against whole populations. Innocent people get killed.

I believe that we have to formulate the goals and plans of the international struggle against terrorism more precisely and to identify the political problems which Vladimir Putin, the President of the Russian Federation, has spoken about. That would ease the difficult and arduous task in the field of international legislation in the fight against terrorism. Apart from the uniform definition of concepts, I believe that decisions on universally acceptable measures to combat terrorist activity are extremely difficult.

If the fight against terror is to be more effective, the role of parliaments and interparliamentary organizations must be considerably reinforced. This means standardizing the practical work of national legislatures in order to intensify the fight against international terrorism and the crimes connected with it. What is needed here is a harmonization of the content and form of the laws in the various countries in order to prevent differing legal interpretations of juridical facts and make it possible to take practical measures in reaction to acts of terrorism, irrespective of the country in which they are committed.

Secondly, a code of conduct for the states involved in the fight against international terrorism would be required; a catalogue of principles and basic rules for mutual assistance and cooperation in concrete situations. Measures such as these would provide a valuable complement to the international agreements which already exist in this area.

Thirdly: Collective security issues in the fight against international terrorism would need to be placed on the agendas of the relevant parliamentary committees and to be highlighted as a central theme for

international, interparliamentary contacts. We have initiated a Europe-wide meeting at parliamentary level to discuss these questions but unfortunately, as so often happens, this has fallen foul of delays. Of course, there are technical problems but in view of the current international situation, every delay literally results in the death of human beings. I would appeal for the creation of an institution made up of respected parliamentarians, well-known figures from public life, scientists and representatives from the economic sector, which would function under the umbrella of the UN in order to guarantee the necessary public support for direct resistance to international terrorism.

In this connection, I regret that the suggestions, which I put forward at the international forum in Paris, have not yet been taken up. One of these suggestions, for example, concerned the concept of founding a global alliance against terrorism. Although this suggestion was welcomed by everyone present, that was as far as it went. Unfortunately, we are still not able to overcome a certain degree of mistrust in our relationships but it is precisely this trust which is an essential prerequisite if we are to make progress in the matter.

In my view, a further important facet involves mobilizing the institutions in the sphere of civil society and the mass media in order to create conditions which seriously impede the activities of terrorists wherever they might be. I am thinking here of things such as Internet sites and confidential telephone lines which could be used to gather information which might provide pointers to the possible planning and staging of terrorist strikes.

As far as cooperation and coordination between the secret services of the countries involved in the fight against international terrorism are concerned, there is an urgent need for a whole range of measures. Firstly, the leaders of those cooperating to combat international terrorism must agree on a strategic plan for cooperation between the secret services and they must inform the general public of this. Every terrorist must be aware that such a plan exists so that no terrorist can feel safe anywhere.

Secondly, a joint centre should be created to gather and process information from all the secret service sources in the anti-terror alliance. For security reasons, this information would need to be de-personalized but that is a question of technology; the most important thing is the concept. Such a centre would enhance the possibility of identifying future terrorist threats in good time. It would make it easier to counter crisis situations at a national and international level by providing a database for all the participating countries. To a certain extent, a centre like this could become an elite training facility for experts specializing in the analysis and processing of secret service information on international terrorism.

Thirdly, trouble-free, rapid access to all of the shared databases must be guaranteed. The secret services of the cooperating countries must receive the information needed as quickly as possible. This might be key data on suspected international terrorists or identification data on weapons and explosives as well as on special features relating to the manufacture of explosives. A concrete example from my own country is a case in which it took us only 15 minutes to locate the person responsible for a terrorist attack in Moscow, even though he was in a different city in a state which is now independent. The clue lay in the fact that he preferred to use a particular type of lacquer for soldering the explosive device and this information was stored in our database.

It is also essential to guarantee extremely strict state monitoring on the manufacture and storage of explosives and weapons because many terrorist attacks are in no small part linked to inadequate security at explosives stores in state-run depots. I would suggest that we need to develop and introduce a world-wide explosives identification system which would make it possible to determine, in a few seconds, where explosives were manufactured and where they were supplied to. That would drastically simplify the search for terrorists.

Karaganow

It is precisely this slow development in European cooperation, not least in the defence sphere, which is worrying us in Russia. Our fear is that within the next five years, there could be a nuclear terrorist attack on a city and we would have no means of preventing it. Russia is prepared to take the European route, in the wider sense, because that is a sensible decision. Nevertheless, we must be able to act more quickly otherwise we might well be overtaken by events.

Tony Blair has suggested that the permanent NATO-Russia Council should be replaced by an organization of twenty states in which all of the NATO countries and Russia would have equal rights in discussing security issues. I believe this suggestion is completely out of the question. Basically, it would be nothing more than the Council for Political Cooperation Russia-NATO-Plus, which has

already failed. It would be totally counterproductive to resurrect this idea and then see it fail again. However, that in no way alters my generally positive opinion of Tony Blair.

Onyszkiewicz

It is absolutely true that NATO was caught completely unprepared by the developments of September 11th, and there are good reasons why.

First of all, everybody is aware of the debate which we had with the NATO countries and countries aspiring to NATO which took place before the Washington summit. That was the debate about the strategic concept and I want to draw your attention to one item of this debate which is the question relating to the area of responsibility. There was a strong American tendency to extend the area of responsibility and to give NATO a global responsibility. There was also a tendency which was well represented in Poland to restrict the area of responsibility. The outcome is well known, the result is written in the strategic concept. The understanding was that NATO basically will act only in the classical area and all other commitments or all other challenges will be judged on a case by case basis.

There was another problem and that is Article 5. I want to remind you that Article 5 is a rather soft one. It is very much weaker than Article 5 in the Brussel's treaty. But the fact that Article 5 was considered to have a certain sense of automatism was not created in the Washington treaty. It was the result of the existence of the military structure and of the contingency planning. It was assumed that NATO would respond immediately and on a multilateral basis to any contingency which was thought at the time to be a sort of Third World War scenario or a scenario of outright aggression. This is why it was rather difficult for the NATO Council to decide that Article 5 should actually be applied as the result of the September 11th tragedy because the letter of Article 5 says it must be an external and armed attack. The problem was to what extent the situation actually made it possible to legally invoke this article.

That brings me to a rather general problem of how to define an aggression. An aggression in the classical sense was always understood as an armed attack by one country against another country. Now we are in a totally different situation. The attack of September 11th could be construed as being an armed attack but certainly it was not an attack by one country on another. I would say ironically that luckily the Pentagon was also affected. If the attack had just been confined to, let us say, some financial centres or in future on IBM or General Motors then the question would be: Should this attack be considered as an attack against a state or just an attack against some financial or other business institutions? So the problem of the definition of an attack is still pending and the only way to solve it would be by a final decision by the United Nations. The United Nations, incidentally, has taken up this issue on several occasions but has never come to a final conclusion.

But I would add that Article 5 was proved not just to be a theory of the past but it was put to a test that was actually passed. The decision to apply Article 5 resulted in a very strange and paradoxical development. It was always considered that it would be the United States which give material assistance to European countries in case of trouble. Now, NATO AWACS planes are patrolling the airspace in the United States whereas US AWACS planes are being deployed in the Indian Ocean. It is a tiny thing but nevertheless it has something of a symbolic nature.

But I do not think that the September 11th development kills Article 5 because it is understood that all member countries will give appropriate assistance to the country which is affected by an aggression. And actually the offer was given. The other problem is that the United States is very selective in accepting these offers.

Let me come back to another issue. This is the lack of a military structure in NATO able to cope with such contingencies. The result was that although terrorism was actually included in the list of challenges and contingencies, it was put in the framework of Article 4 of the NATO Treaty which simply mentions consultations. There is no military structure. Let us hope that this military structure will be set up within the NATO structure.

Finally a few words about Russia and NATO. The problem with a Russian NATO membership is that NATO is not a common security structure, it is a common defence structure which must be based on a far reaching mutual trust. The problem is not joining the club, but joining a special community. And I regret to say that at this moment there is still not enough trust to accept Russian membership in NATO. I want to say that this lack of trust is a very important factor.

If we look into the future, what could be the common interest of NATO countries and Russia? It is not only terrorism, it is a potential instability in Asia. Henry Kissinger mentioned very rightly that Asia is still

in the 19th century in terms of its political and strategic thinking. This was also mentioned by Mr Karaganov. So there are good reasons for close cooperation which will gradually intensify and create a common sense of trust between NATO and Russia. But I would be rather cautious about an idea which has also been floating around here, that of creating some kind of a concert of big powers which will discuss and sort out problems together. Because that evokes bad memories. We have a UN Security Council, but something similar which will cover only our area would not be welcomed by smaller countries. So this problem should be approached with caution.

Karaganow

Mr Onyszkiewicz has led us back to the topics we discussed earlier, namely the possibility of Russian membership of NATO and the formation of a special-purpose alliance based on G 8, which would deal with the new challenges in the security sector. Together with Karl Kaiser and another colleague, I recently wrote an article, which has not yet appeared, on this issue. I fully appreciate, therefore, that the smaller countries do not like the idea of the major powers acting in concert.

If chemical or bacteriological weapons were to be released over the centre of Warsaw, then - given the conventional, Polish approach - Poland would accuse Russia in the first instance, but also Germany and to a lesser extent perhaps, the USA, of failing to bother about Polish interests. The problem is that our inactivity has already cost us a great deal of time.

Kaiser

If my judgement is correct, the decisive change in international politics following September 11th involves a combination of a number of factors.

First of all, we have seen that one basic principle of classical deterrence, namely that of self-preservation no longer holds. In other words, we are facing a clearly different set of risks if terrorists are prepared to risk their own lives in order to kill as many of their opponents as possible. Classical deterrence then no longer functions against terrorists, although it probably still functions with states who openly support terrorists.

Secondly, the declaration of a religious war will increase the metapolitical threat potential, and this will in turn make it harder to find solutions for the conflicts than in conventional conflicts. To a certain extent, bin Laden and his consorts aspire to create a clash of civilizations which we are at pains to prevent. In this way, he hopes to mobilize the masses that will support the terrorists or will serve as a recruitment area for terrorists. This is something new, something we have not experienced since the Second World War. The death of thousands of innocent people is not only tolerated; it is intended - that is a new phenomenon. One can hardly imagine the catastrophe if the terrorist organizations had weapons of mass destruction at their disposal and then deployed them without second thoughts.

Third, the vulnerability of modern societies has been presented in the most drastic of terms. The previous imbalance between the small and the major powers has practically been upturned. A few small powers can inflict immense damage on the large powers. This applies equally to the United States, Russia or Germany.

Fourth, the link-up of meta-political religious motifs and ultra-modern technology - ICT, modern means of transportation etc. - is highly explosive and effective. Should terrorist groups one day possess weapons of mass destruction, then we would indeed face conflicts of quite a different dimension.

Together with Sergei Karaganov we have been engaged in intensive discussions for some years now on how both sides can cope with this Cold War heritage, the gigantic accumulation of weapons of mass destruction. I believe the key objective in combating terrorism must be to ensure that this sector is absolutely reliably secured and that any possible weak points be eliminated in order to make certain that no states or groups again access to such weapons.

It has already been pointed out that in the course of the new challenges to world politics a quite unprecedented alliance to combat terrorism is starting to emerge. As Janusz Onyszkiewicz said, that also has a bearing on NATO. The old NATO was geared to combat a major assault from the East and, if necessary, wage a defensive war. Following the end of the Cold War, NATO has increasingly become a political alliance. What we need in the future are quite different structures for this alliance. The focus can no longer be on deterring and repelling a major targeted attack. To combat terrorism we need a structural reorientation and the first steps in this direction have already been taken.

What we are seeing are new types of alliance that not only includes states of a specific community that shares common values - those of Western democracies -, but also enters into partial alliances with

states, depending on the threat scenario, who have quite different values. These are functional alliances which are fundamentally different from earlier constellations, more fragile and less-enduring.

This trend also sheds a different light on the question of NATO's expansion. The more NATO becomes a political alliance, the more its handling of problems changes, specifically with a view to Russia. I consider it quite possible that the expansion of NATO that is scheduled for next year - the Prague summit in November 2002 has already been mentioned - and simultaneous rapprochement with Russia will mean that the entire issue is far less problematic for Russia and it will be easier to reach an agreement.

Karaganow

We should now move on to a more detailed discussion on the possibilities and methods available in the fight against international terrorism.

First, however, Mr Ryzhkov has asked me to remind you that Tony Blair is reported to have said today that Russia is invited to join NATO. What might that mean?

Weizsäcker

Our topic today "Russia's European Dimension and the Challenges to World Politics" prompts me to state that the awful events of September 11th have led to a fundamental improvement in the atmosphere of the dialogue between Russia and the United States. It is a fact from which we will all benefit. Both governments have returned to the negotiating table for serious talks, something that has not happened for a long time. I consider this a favorable development.

Karl Kaiser has just pointed out that NATO is in the process of change - and not just since September 11th. That is definitely the case. At present, it is a kind of ad-hoc alliance that is squaring up to the present situation. Yet it is also clear that such *à la carte* multilateralism will not last. If simply for this fact, I consider it necessary to take NATO forward.

Mr Kaiser has rightly emphasized that NATO was founded not just as a security but as a defence alliance and is now emerging as a system of joint security. Now a key factor in this joint security is contact between Russia and the United States and contact between Russia and the European NATO partners. For this reason, I also believe that the days of NATO as a purely defence orientated alliance are over.

Whether this implies future Russian membership of NATO, as Tony Blair has considered, is something that can only be answered if we first clarify some key questions, such as the voting procedures. It is not very constructive to grant veto rights against majority decisions to certain members and thereby sentence NATO more or less to immobility. I would certainly view this as a key question in relation to Russia's potential membership of NATO.

To return to the issue of "Russia's European Dimension": this cannot be understood to mean a return to renationalization politics - and I hope the Russian side does not conclude this from the events since September 11th. It was not Mr Solana who won the active participation of Russia in the newly emerging coalition to combat terrorism but the responsible heads of state of some of the members of the European Union; this is something that stems from the fact that the EU is still not a community in terms of foreign and security policy. However, the European Union is en route to political union.

In this respect, we have made some progress in the last ten years, but much time - probably another ten years - will elapse before we can speak of a real political union. At present, there is no other avenue open - it has to be Tony Blair, Gerhard Schröder, Jacques Chirac and the other heads of state who take a stance on September 11th rather than Mr Solana. But our Russian friends should not be misled by this; the European Union is en route to becoming a political union.

Immediately after the end of the military deployment against Yugoslavia in Kosovo resolutions were taken that will lead to a strengthening of the EU's scope for military action. This development will again need time and I do not share the concerns that various people have expressed indicating the relationship between the European partners and the United States could suffer as a result. In fact the opposite is probably the case. If NATO is to evolve into a system of joint security then such a system will only be functional if the Europeans for their part are prepared to act in terms of security policy. In the long term it is simply not sufficient for Europeans, as happened again recently in the Balkans, to have to wait for the Americans to take the initiative and lead the way simply because we Europeans are unable to do so.

One word on terrorism. Despite all the consensus on the events of September 11th we still have difficulty agreeing on a clear definition of terrorism. It is not enough to simply say that anyone who is against me is a terrorist. This has to be discussed seriously. We also have to address the fact that the major EU and NATO member states repeatedly ignore the small member nations and try to push their own ideas through on their own. This leads to a situation we have seen with the anti-terrorist alliance in which in the European Union suddenly the eight smaller members vote against the seven larger ones. In other words, we must make sure that within the union, all the members firmly support its resolutions. That implies a consensus definition of terrorism that likewise enables those countries which wish to remain neutral in terms of security policy, to nevertheless approve of the battle against the terrorist threat to humanity.

I would like to make a case in general for not belittling European developments. Certainly, at times the European Union is a matter of two steps forward and one step back. But there is definite progress. Which is why I think that Russia would be well advised to seek to collaborate in the world political arena not just with America, however important and positive this is, but also to consider the European dimension as equally important and as truly indispensable.

Segbers

Like Karl Kaiser and Mr von Weizsäcker I would like to emphasize that well before the September 11th events, the world political map had changed fundamentally. Following the end of the Cold War, the number of players increased considerably compared with the days of the East-West conflict. They included many non-government and commercial players. Indeed, politics is no longer reserved to the diplomats; what we are seeing are multilevel constellations and international regimes. All of this was known well before September 11th.

What is now becoming very much more clear - and here I agree with Sergei Karaganov - is that our thinking is still partly entrenched in the 1970s or the 1980s. For example, we still grasp international relations primarily in geopolitical terms. I consider this approach to be completely out of date, and this was demonstrated quite decisively by the events of September 11th. Geopolitics, state sovereignty, territorial unity, national borders - these concepts now all require far greater explanation than ever before.

Our traditional defence mechanisms do not function against this kind of international terrorism. A national missile defence system, NATO expansion, alliance systems such as SNG or GUUAM no longer do justice to such a challenge. A terrorist network made up of nomadic warriors launches an attack on a world power - they do not fit into the classic framework. How can such transnational actions be defined in legal terms? How should we judge such attacks? As acts of war? As a stop gap, labels such as policing action are used - as if policing would be of any avail in the face of such a challenge. What we can conclude is a fundamental asymmetry in the structure of the conflicts which we evidently can no longer grasp with our geopolitical terminology.

So what do the events of September 11th really signify? There is still a lack of consensus here. Are we facing a confrontation between opposing political factions? Do they relate to the occurrences in the Near and Middle East? Or to the presence of US troops in Saudi Arabia or other concrete situations? Views such as these hardly provide an adequate assessment. At any rate, it is clearly false to believe that if the Americans withdrew their troops from Saudi Arabia or if the Israelis withdraw from some of the settlements, this would lead to an end of the terror.

Ultimately we are faced with an anti-secular attack on the liberal societies and their lifestyles. Now this being the case negotiations will be to no avail, as there are no subsets of interests on which agreement could potentially be reached. Even in the case of the RAF terrorist attacks in Germany in the 1970s there was still potential for negotiation. In the present conflict there is essentially nothing that could be put on the negotiating table and it is therefore not worth trying.

How should we respond to the terrorist attacks? I find it quite amazing that certain statements made in West Europe and in Russia, too, give the impression that first and foremost we must help the Americans as America was attacked. No, it was an attack on the liberal, pluralistic Western way of life, and that extends to Russia. We must all respond together to this. For this reason, any deliberation on what we will get if we help the Americans is somewhat out of place.

We need clear goals in order to respond to these conflicts successfully. And our responses must be carried out decisively. We should have learned from the Kosovo conflict that if you decide in favor of military intervention (and there were quite comprehensible reasons against it) then you must intervene consistently, or not bother at all. If you publicize from the outset of the intervention what options you

actually exclude (such as the deployment of ground troops in Kosovo), then the attempt is half-hearted and counter-productive.

Now, not only in West Europe there are many well-meaning individuals who believe that it must be possible to recreate a new order out of the growing disorder in the world which is partly the product of elitist groups who aim to blackmail their way to international accreditation. This, I believe, will not be possible and we must simply come to terms with the fundamental disorder in the world whether we like it or not. This is not a very gratifying prospect. And for this reason I also do not consider that our present approach in Afghanistan will get us very far. We will swiftly come up against the limits of our economic, political and military resources. In the medium term, we will not be able to maintain such an approach.

In Bosnia, in Kosovo, and probably in Afghanistan, too, we have installed quasi-protectorates. Imagine such a situation developing in Indonesia! The attempt to impose a world order by establishing protectorates in flashpoints the world over will fail due to a lack of resources. Perhaps we should restrict ourselves to regions in our immediate vicinity which are still halfway stable such as Turkey or Mexico instead of trying to develop a global perspective that we cannot possibly implement.

Studnitz

Mr Segbers has rightly said that it is important above all to get a clear picture of the nature of the conflict we are facing. Only then can we assess the structures that will shape our response.

We do indeed face a qualitatively new challenge that is markedly unlike the wars and conflicts of the 19th and 20th centuries. These are no longer conflicts between states, and for this reason we must also respond differently to them. What we see here is that the organization and the power of the nation state is dwindling. Yet we still think in categories of the security structures arranged along nation-state lines in keeping with the experiences of the 19th and 20th centuries. On the whole, we fared well by sub-dividing the entire world into nation states.

Now, these nation-state security structures are beginning to lose their grip. In certain regions of the world there is now no state organization at all. This is not only evident in Afghanistan; we also see perfect examples of it in Kosovo, Somalia and other areas. This lack of state organization leads in the final instance to the emergence of such terrorist networks. For this reason, perhaps unlike Mr Segbers, I am of the opinion that our very own security interests demand that we restore some sort of order in these territories that lack state organization.

How should we go about this task? I believe that the established structures, be it NATO or the EU, are no longer appropriate. The threat we are confronted with is different in each case. The attack on the World Trade Center was simply one example; things may be entirely different next time round.

Therefore we do not have any option other than to set up ad-hoc interest groups to combat such challenges. The approach the Americans are taking at the moment is probably exemplary for the future. To my mind, this is not a problem of the large or small states who participate and those who cannot or do not wish to be involved. Ultimately only those who can also make a contribution to combating a concrete threat will play an active role in the respective interest groups.

Studnitz

And the G 8 will then become a G 10 or a G 12.

Studnitz

In the one case it would perhaps be a G 12 and in the other a G 6. I feel it is only right that Germany is now taking part in the intervention in Afghanistan; for that is in our core interest. We Germans do not need to prove anything to ourselves. It is in our national interest to contain danger zones of this kind. Whether this will succeed in all conceivable cases or whether we will overtax ourselves, as Mr Segbers fears, is a secondary issue.

Now as regards Russia in this context, I see it playing its role in those areas where it is prepared and able to take part in averting such potential threats. In the case of Afghanistan, Russia's geopolitical position was undoubtedly one of special significance. Without Russian support it would definitely not have been so simple to persuade Uzbekistan and Tajikistan to join the anti-terror coalition.

The question of Russia's closer cooperation with NATO or even its membership is quite a different matter altogether. I am personally of the opinion that Russia can become a member when it is prepared to subscribe to the existing rules of this club. Otherwise we will have to find other forms of

coexistence, such as ad-hoc interest groups, which I feel are very important. Russian membership of NATO would have far-reaching implications for how the Europeans see themselves vis-à-vis Russia and how Russia sees itself as a European power.

Now some remarks during the discussion here suggested that President Putin was possibly bending over backwards in his approach to the West and America. In fact, if such steps are not backed by the general public as a whole, then they could be dangerous. The only safeguard is to develop democratic leadership and decision-making structures. For this reason, the development of democracy in Russia in the longer term is indispensable. Such a process is incidentally also in our very own Western interests if we wish to shape the future of the European continent in cooperation with Russia.

Rahr

Listening to our discussion here, one could get the impression that Europeans and Russians are somehow competing to become the United States' best ally in the fight against terrorism. I would regret such a development. With Solana's appointment in 1999 as head of EU foreign and security policy, the first clearer signs of a joint European security and defence policy emerged. And I am of the opinion that in the new constellation, i.e. with a view to combating international terrorism, the necessary initiatives must be taken by the European Union. Russia should bear in mind that at the EU-Russia summit in October 1999 in Helsinki the then prime minister Putin proposed that the Europeans set up a European security structure but since then both sides have tended to deride such an option.

In this context, allow me to mention four elements that I consider important for the design of a future architecture of European-Russian security: first, set up so-called soft-security structures; second, combat international criminality; third, control illegal migration - a problem that affects both Russia and the Europeans, and fourth the security of energy supplies.

The day before yesterday I took part in a highly interesting conference in St Petersburg staged by the "Rosbalt" press agency where there was a lively debate on the relationship between Islam and Christianity. There, the thesis was put forward that we should focus our attention not solely on international terrorism directed against the United States and the West by Islamic terrorist groups like El Qaida and Hamas, but we must also realize that the IRA, the PKK or ETA are part of this global terrorist network. Even if the latter do not combat Western civilization, they nevertheless constitute a great potential threat to Europe.

This prompts the question whether we are fighting the global terrorist network or whether we are restricting our focus to Islamic terrorism. Should the latter be the case, then there is a danger of an anti-terrorist alliance becoming an anti-Islamic alliance. Russia in particular - and the Russians attending the conference have emphasized this - would be affected by an anti-Islam alliance, since 18 percent of the population is Muslim.

According to a new Russian survey, there is an aversion among young Russians to the so-called "black faces" from the southern CIS. Simultaneously, an increasing number of highly qualified young intellectuals who were trained in Islamic states such as Saudi Arabia as religious spokesmen are now returning to Tatarstan, Bashkir and central Asia and are engaging in missionary activities. If these two contrary tendencies are not taken seriously by the politicians, this could trigger off social conflicts that would have been almost inconceivable several years ago in the internationalist post-Soviet world.

Today, 18 million Muslims live in Russia - and they could pose an increasingly dangerous potential for conflict, a fact that the Russian President should not overlook in his expression of solidarity with the West. I would only remind you of the NATO intervention in Kosovo, where a large section of the ethnic Russians supported the Serbs and decisively rejected the NATO intervention. At the same time large parts of the Tatar and Bashkir elite supported the Albanians which led to a split among the political elite in the Russian Federation.

In this context, I would also like to point out that according to demographic calculations the Islamic share of the population in Europe will increase strongly. In some regions minorities will become majorities. In other words, within a timeframe of 30 or 50 years we should expect dramatic changes. Recent demographic studies have shown that within one generation Russia will undergo a transformation, whereby in the younger Russian population the ratio of Muslims to ethnic Russians will be 50-50. The politicians need to start thinking about how to prevent this leading to dangerous internal conflict in Russia.

Moreover, with reference to the expansion of G 8 and of the WTO, which Mr Karaganov addressed, the Islamic world must not be neglected. For we simply cannot allow a situation to develop in which

one fifth, and perhaps soon one fourth, of the world's population remains excluded from the globalization process. The UN Security Council is confronted with the same problem.

Karaganow

Mr Rahr has spoken about the very important issue of how we should behave toward the Islamic states. It is an issue which remains unresolved because up to now there has been no dialogue whatsoever with the Islamic countries and their elites. To a large extent, we do not know what is actually going on in these societies and we are completely unclear as to what strategy we should pursue in our approach to these states.

Obviously, we must not perceive Islam as an enemy. But what does that actually mean? I believe that it will require great intellectual effort on all our parts if we are to understand what it is really about and what sort of challenge we are faced with. It is clear that up to now, terrorism has appeared in the cloak of Islamism. Nevertheless, social factors also lie at the root of terrorism and if we see Islam as the enemy in the fight against international terrorism, it could very easily turn into a destructive force. This is a very difficult and multi-layered problem.

Smolar

The subject which has been discussed here several times is that of the institutional structure of security and defence after September 11th. Since this date it has often been said that the world will never be as it was before. Whether this is true or not, I think, will partly depend upon the conclusions concerning changes in those institutions.

In our discussion I see three different ideas on the structure of security. One relates to the traditional idea of NATO. The problem is one of adapting Article 5 and other elements of the Washington agreements to new circumstances. I have however the impression that there is no support for this hypothesis here. NATO is increasingly becoming a collective security structure that will assure order and peace in Europe. To use Robert Cooper's terminology this is a post-modern transparent type of organization where the traditional logic of a balance of power does not play any role. It is indeed questionable whether Russia can be a member of NATO. The problem is whether a relationship between Russia and the NATO countries can really go further than the traditional logic of balance of power would imply.

Secondly there is the idea which has been developed by several of our Russian friends, that there must be a new sort of alliance with the strong participation of Russia - for example, a transformed G 8 - a structure adapted to suit the new challenges.

The Holy Alliance model does not really seem to provide the answer to new dangers. I already mentioned that in today's world such an alliance model poses the danger of replacing freedom and democracy with security and order as the highest values. There is a certain trade-off between those two groups of values. I think that within such a structure in which big powers dictate the order of security, the danger is a real one.

So I think that - thirdly - the realistic structure of security will be based on flexible alliances of convenience which can be adapted to different circumstances. An element of Klaus Segber's thesis is that these terrorist attacks of September 11th were directed against modernity and secularization. This is true in this case but not in all other possible cases of terrorist attacks. I do not think that we are in a situation - this may sound a little provocative - in which all countries run the same risk of terrorist attacks. We can quite easily list the countries which are running the biggest risk. Among these, of course, are the US and Russia and some European countries with a very high Muslim population. I do not want to support Huntington's thesis. The biggest terrorist threat in today's world does not come from Muslims or from Islam but from radical, totalitarian Moslem movements.

There are other countries where terrorism is highly probable. These are countries where civil war and religious conflicts are raging and where the state has failed. This complex situation will determine these alliances of convenience and flexible structures which will be shaped in different situations.

Karaganow

If we accept that we are only dealing with a single threat, the idea of creating alliances of convenience could certainly be useful. However, if we assume that we must expect a whole range of threats and prepare to meet them in good time, then alliances of convenience could prove unproductive. If one wants to counter particular dangers at the earliest opportunity, such alliances would probably be inadequate because they can only be established in reaction to events which have already occurred

and not before they have occurred. It may be that we are not yet capable of creating a complete alliance and must therefore be satisfied with ad hoc alliances, which means alliances of convenience. I believe that we need to give this question more thought.

Ellemann-Jensen

What can we do to make sure that this window of opportunity that has been opened is used before it is possibly closed again? In other words we should concentrate on what I regard as one of the most important challenges right now, on securing Russia's role in future international cooperation. We have been given a window of opportunity. Russia has earned itself respect by the way in which it has reacted to what took place on the 11th September.

I have been wondering why so much thought is given to NATO membership, NATO enlargement and so on. Is this really the most important thing? I remember what was said by Mr Yastrzhembski before. Isn't it interesting that Russia now is a more important partner for the United States than many NATO countries? A most interesting remark. And Mr Lukov added that some European countries may be a little jealous of this development. Intelligent Europeans are happy because it is in the basic national interest of every one of us that relations between the United States and Russia develop along these lines. I, for one, was also clapping my hands when I saw the text of the communiqués issued after the meetings between the two presidents in the United States. There is no reason to be jealous, we should all be happy and do whatever we can to see that this development continues.

Russia as a member of NATO? Well, why not? Some day in the future, as Mr von Studnitz said, and everybody agrees, the rules of the club would be followed and who knows, maybe the rules of the club have to be changed later on. Why not? But I believe that NATO is also important in another aspect, which was indicated by Mr von Weizsäcker, namely as a way to keep the small countries on board. That is why I wonder why we continue to listen to arguments stating that maybe NATO enlargement to include new countries, in particular the small Baltic states, should be postponed. If that were done it would be out of what you could call "misplaced respect" for Russia. Let me explain why: We all know that it is utter nonsense on the part of Russia to fear the extension of NATO to the three Baltic countries. Russia is not threatened by their NATO membership. You may be irritated, all right, but you are not threatened.

On the other hand: Are the Baltic countries threatened by Russia? Well, if Russia tries to prevent them from getting into the security arrangement, they will feel threatened, of course. I happen to live in a very small country. The population is about the size of St Petersburg. We have big neighbors. We have had reasons in the past to feel threatened by those big neighbors. You know, we, as a mouse, do not mind sleeping with an elephant, but we would like to be sure that this elephant does not move around too much and squash us. That is why we prefer to be in an organization together with some big neighbors where it is absolutely sure that everybody complies with the rules. This, I hope, could also be turned into an important point in the Russian discussion. We all know that you are uneasy and maybe even worried about the plight of Russian minorities in some of the Baltic countries. So it would be in your interest to see them as members of NATO, where this would then be NATO's problem since every member of NATO has to live up to the rules. Then you could discard your worries in that direction and concern yourself with the places where you are facing real threats.

I would like to ask the question whether the real interest should not lie in another direction - in the enlargement of the European Union to include Poland, the Baltic countries and other countries of eastern and central Europe. How can we make sure that this enlargement does not leave an impression on the Russians that they are being left out? How can we make sure that all concepts of zero sum games do not lead to the impression that this will imply a price that has to be paid by Russia? How can we make sure that this becomes a win-win game? This is where I see an immediate challenge. That also has to go hand-in-hand with building coalitions in the fight against terrorism and other struggles for our common values and our common ways of life.

We had a debate on this at a conference in St Petersburg in September this year, less than two weeks after the 11th September. This conference was held by the Baltic Development Forum and the subject was exactly the same. How can we make sure we integrate Russia into economic and political development, in this case in the Baltic region? But it applies to Europe as well. In other words: How can we make sure we develop Russia's European dimension in a way that benefits all of us?

Let me just give you a few recommendations from that conference that point the way in the direction that we ought to work in order to build a solid platform for a coalition so that it does not just become a tool of convenience to mask the present danger. One element is the speedy accession of Russia to the WTO. Another is much closer cooperation between Russia and the European Union using the

action plan of the so-called Northern Dimension and a number of proposals on how to finance this action plan, so it does not yet again become a lot of fine words from Brussels without the solid support to turn those words into reality. And we should cherish the vision that the European economic space will have to include Russia and we should start with unifying our educational structures.

These are elements that we can start working on immediately. That should not be forgotten in a situation where the European Union hopefully is going to be enlarged by a large group of applicant countries and where the first group can be expected to become members by 2004. So, I suggest that we remember to bring this into the picture as well, in order to make sure that nobody is left behind. We can build all those coalitions and have all sorts of intelligence exchanges and so on, but if some states, in particular Russia, feel that they are left behind in the developments, sooner or later we will run into very serious problems.

Karaganow

Mr Ellemann-Jensen reminded us of two important things. First, that over the last thirty years, Russia has repeatedly declared that it wanted closer ties with Europe - and then it either fought against the American president or clasped him to its bosom whilst Europe was forgotten. President Putin should not repeat this game and should therefore do precisely the things which you mentioned.

Secondly, we must always bear in mind that everyday day life goes on and that the opportunities which have presented themselves so far and which we have by no means exhausted, are still available even though we are now facing new dangers. I have in mind, for example, Russia's rapprochement with the European Union through the Northern Dimension and through the negotiations aimed at bringing Russia's legislation into line with the European norms.

Together with around twenty others, I recently founded a committee called "Russia in a United Europe", which has the goal of developing concrete plans for the rapprochement between Russia and the European Union.

Lukov

In his interesting speech, Mr Segbers remarked that, were one to want to do it, overcoming the social and economic problems in Afghanistan could prove too expensive. An almost insuperable task, according to Mr Segbers. It certainly will involve considerable cost but I would like to emphasize one thing: If the international community, including among others the UN, the European Union, the IMF and the World Bank, does not get to grips with this problem now, there will be no stabilization in Afghanistan at all. Instead, there will be an extremist, "Taliban-plus" regime in the next generation and their response to the anti-terrorism coalition's actions in Afghanistan could be even more appalling than the terrorist attacks of 11th September.

The resources needed to help Afghanistan are certainly available. When the Mexican financial crisis threatened the interests of the major Western states, the IMF found 17.000 million US dollars for the stabilization of the peso within two weeks. And during the Asian crisis, which affected Western trade interests with Japan and the ASEAN countries, 110.000 million US dollars were raised through the IMF in the space of three months.

The crisis which we now face threatens the physical existence of modern civilization and it threatens human lives. Are we really incapable of mobilizing far lesser resources in order to solve the problem of Afghanistan and to build up a self-sustaining system of agricultural and industrial production? If we do not do that now, then we can easily work out the consequences for ourselves. On the one hand, Pakistan will destabilize and fragment. And on the other, massive waves of refugees will first flood into Tadjikistan and Uzbekistan and after one or two months, they will reach Russia and western Europe. That is not simply a flight of fantasy.

In his analysis of Russia's role in the coalition against terror, Mr von Studnitz unfortunately mentioned only one factor: Russia's geopolitical significance in the central Asian region. I would add the following points. First: Without material support from Russia and Tadjikistan, the so-called Northern Alliance would have been destroyed by the Taliban long ago. Second: Russia is currently the only state which is supplying the Northern Alliance with any appreciable amount of weapons and ammunition - around 40 million dollar's worth so far. Third: Together with the Tadjik security forces, Russia has been stemming the flood of narcotics and terrorists at the border for the last ten years. I was there in 1995 and I know how difficult it is to secure that border. The mounds of empty cartridge cases are evidence of that.

I believe that our Western colleagues should take a more comprehensive view of Russia's role in the fight against terrorism both now and in the future.

Mr Rahr mentioned the policy toward Muslims in Russia. Happily, there are no militant forms of Islamic extremism in Russia today, apart from Chechnya where common terrorists are shameless in their use of religious pretexts. What does exist, however, are localized manifestations of nationalism and religious intolerance in everyday life.

At the same time, I would suggest that the European Union has little knowledge about its own Islamic-Muslim minority, which is hardly monitored at all in some of the member states. It is a fact that it was only after receiving direct pointers from the FBI, that the governments in some countries discovered that some of the terrorists who had taken part in the attack on the World Trade Center, were training in western Europe and were having money transferred there from Bin Laden's black accounts. Nevertheless, I welcome the open and self-critical stance of our EU partners who have recognized the problem and are seeking a solution.

So, if recommendations are to be made to the Russian government here as to which policy it should pursue with regard to the Muslims in our country, then I would also ask the European Union to pay greater attention to this problem itself.

In connection with the European Security and Defence Policy, Russia has been accused of being too passive toward this new structure and of doing too little for the development of relations. Like any bureaucrat, I stick to the facts. Russia made concrete recommendations on the development of cooperation on the joint European Security and Defence Policy as early as spring 2001. These covered, for example, the exchange of secret service information, amongst other things within the framework of the fight against terrorism. In addition, Russia encouraged support for the development of military transport aircraft in order to help with the rapid deployment of EU forces, if necessary, and to facilitate cooperation in dealing with humanitarian catastrophes and other contingencies.

Brussels' reply to all of these suggestions was that they were all very interesting but the ESDP's functions and authority would first have to be delineated with NATO. Following that, talks could take place with Russia on what form cooperation might take. We call this sort of procedure the "All in good time" approach, and it is why one should not be too quick to accuse Russia of passivity.

Mr Ellemann-Jensen argued that joining NATO would help those countries which have problems with minorities to solve these problems because there were unified standards on human rights and Western Europe had sound conventions covering the position of minorities. I would be willing to believe that if it were not for the example which some member states of NATO set. During the history of the Alliance there have been cases of direct military aggression by individual member states against third countries; there have also been long-drawn-out military campaigns against national minorities and there have been fascist putsches. Unfortunately, NATO proved incapable of preventing even a single instance of these gross violations against human and minority rights.

As far as our Baltic neighbours are concerned, our worries have proved very well founded. For example, a law was passed in Estonia two days ago, which forbids members of parliament of Russian extraction from giving speeches in Russian. Where is the respect for national minorities in that? In Estonia, 40 percent of the population is Russian.

Mr Segbers asked how we should behave toward Islamic extremism. In his view, this was a matter of the rejection of secular civilization. I regard Wahabism as a new form of the radicalization of Islam and one which has taken the place of Shiism in this role. Its aim is to protect the old patriarchal society from modernization with all its social and moral problems. We should, therefore, ask ourselves what we might perhaps have done wrong in respect of these patriarchal societies, so that we can offer them a more ordered path to modern development and prevent catastrophic, extremist eruptions.

Steinel

The discussion here has repeatedly stressed that a lot has changed since September 11th. What I wonder is to what extent that main party concerned in this drama, namely the United States of America, has changed. To my mind, the multi-lateralism that has been referred to positively by various people here and the pragmatic approach which Mr von Studnitz welcomed, do not guarantee that the United States will continue to pursue such a multi-lateralist policy, once the immediate threats of the current crisis, as we all hope, have been overcome.

I fear that the United States could be inclined to increasingly go it alone in the future. I know and I love that country and its people, but it is my impression that the political elite in America regards the current

coalition that has formed as only a temporary arrangement and will in future return to a unilateral position. That will of course also depend on structural developments such as the NATO expansion and the future architecture of a transatlantic security policy.

Ruhnau

Mr Steinel you are indeed right to ask how long the shock of September 11th will last. And in the case of the United States, we have not only seen unilateralist tendencies but these have always been coloured by potential isolationism that to a certain extent simply ignores the rest of the world. I recently heard a prominent proponent of this theory, Mr Goodman, say the following in Berlin, whereby I paraphrase: We Americans are on the top floor. The rest of the world lives in the basement and we feed them McDonald's and Coca-Cola, but we remain the decision-makers. It is quite inconceivable, according to Mr Goodman, for Americans to take particular heed of the interests of others if the latter are not in America's own interest. I think we should not underestimate this attitude.

Mr Segbers spoke of an anti-secular vehemence; we could also term it anticivilizational sentiment. For this reason I consider it so important to defend our own values. In this context I would like to refer to Samuel Huntington, who did not talk of a war between the cultures, which was the marketing rendering of the German book title. Let me quote Huntington: "The ideas of individual liberty, political democracy, the rule of law, human rights and cultural freedom ... these are European ideas, not Asian, nor African nor Middle Eastern ideas, except by adoption." Let me add: the leading politicians in the West should not move through the world as if they were missionaries imposing our values on other peoples. Our key task is instead, so Huntington maintains, to defend our values and not to try to remold other cultures in the Western image.

I believe the days when we traveled round the entire world dispensing good fortune and attempting to enforce our Western philosophy on the others are dead and buried. It is certainly justifiable to call for a dialogue with the Islamic world. But the question arises: With whom should we talk? Huntington rightly points out that in the Islamic world there is no dependable core state we can talk to. This is demonstrated by Islam's historical development, which began with the first wave of expansion that extended as far as Southwest France and North India. Muslim Pakistan is the result of that expansion. In other words we face all sorts of different Islamic factions, and that makes dialogues difficult.

For this reason, and here I agree with Mr Segbers, we cannot act as regulator of all the conflicts in the world. We would drastically overtax ourselves, and this assessment is by no means restricted to the question of financial and economic resources.

Daniel Goldhagen made an important point in connection with the situation in Yugoslavia and it should be borne in mind when dealing with Afghanistan. He suggested that a controlled development in Yugoslavia can only be successful if the West acts there the way it acted after the Second World War in Japan and in Germany, namely occupying the country, staying there for 40 years and initiating reeducation. In this way, Germany and Japan have evolved into full members of Western community values.

Needless to say, this cannot be achieved everywhere worldwide. So one strategy could be: every country that promotes and supports terrorist activities must know that it can count on tough reprisals. That is a deterrent and we must be capable of supplying it. That calls for military structures quite unlike those we have at present. And that means we require different security structures, something which, incidentally, Mr von Weizsäcker, has nothing to do with restoring nation states. The large nation states will maintain their status in any case. Such security structures must be in line with the interests of the respective nation states involved even if these are based on different value systems. After all, the anti-Hitler coalition was successful although it consisted of partners with very different value structures.

But differently, combating the anti-secular or anti-civilizational terrorism does not end with the intervention in Afghanistan. Since we cannot set up a global adult education program in order to enlighten everybody on what constitutes civilized behavior, we will not get by without applying force. And in the light of that necessity we need ad-hoc security structures that allow those states to join forces that are in a position to do so and prepared to contribute military and economic resources. Such ad-hoc structures serve to pool the interests of those contributors. As far as the Russian president is concerned we should acknowledge that Putin is a political leader and a good partner for the West. I am convinced that the majority of Russians trust him and that is what counts.

Karaganow

I would now ask Larisa Vdovichenko, Adviser with the National Security Council, to take the floor. Like all other official representatives taking part in our discussions, she will present only her personal opinions.

Vdovichenko

Happily, the analysis which our Western colleagues have presented here with regard to international terrorism, coincides with our own view of the situation in many respects. First of all, I would say that today we are basically dealing with two worlds which live according to different paradigms. One of these worlds, to which Russia also belongs, respects international law and the rights of the individual and builds its relations with other nations on civilized foundations. The other world lives according to precepts which are totally incomprehensible to us; namely, irrationality, non-recognition of international law, a lack of respect for the national laws of other states and a complete disregard for the rights of the individual. Until now, this other world existed largely on its own account without directing any particular sort of activities against our world.

On 11th September, however, we saw that this other world is now beginning to challenge our world, which has progressed over the course of the last few decades. We have already developed certain rules of behaviour, we have a rational concept of the relationship between concrete actions and their consequences and we have mechanisms which inhibit aggression. The events of 11th September showed that we are facing a danger which caught many people unawares because we are facing an opponent who plays according to the other rules and who has a different paradigm for life.

This enemy cannot simply be equated with a single, concrete state. On the international stage, we are dealing with a new type of non-national subject who is, nevertheless, capable of causing destruction on a scale which certainly can be compared with the power of an actual state. This is a completely new phenomenon and it is one which will continue to confront us for a long time in this century because 11th September was certainly not a one-off event.

We have already discussed this problem at length with Americans, French people and Germans among others, and in the process we reached some interesting conclusions on the sort of actions we might possibly expect from this international network of terrorism in the future. Experts believe that the anthrax letters which were sent following the attacks on the World Trade Center and the Pentagon represent a sort of psycho-terror. If there had been any intention to use biological weapons to strike a large number of victims, then ebola or some other highly toxic virus would have been used.

Psycho-terror is aimed at spreading panic throughout the population. The individual in society is meant to feel vulnerable and nobody is meant to feel sure that the state is capable of protecting his or her life. Many countries, the Russian Federation included, have instituted national security concepts which are intended to safeguard the security of the individual before that of society and the state. Attacks are aimed at the security of the individual in order to make the population helpless in a sense, to panic it and to demonstrate the in-adequacy of the protection mechanisms which exist. It can set off a whole chain reaction.

In the same vein, we also have so-called cyber-terrorism. This is designed to crack open electronic networks and to penetrate various databases in order to destroy vital control and administration systems in various sectors.

It is conceivable that the next stage might be radioactive terrorism. There have already been a number of studies on this. Equally, we cannot exclude the awful threat of nuclear terrorism, of course, and international law and the present security organizations are totally unprepared for a development such as this.

As Sergei Karaganov said at the start of our discussions, nowadays time has become so compressed that we have to plan and carry out the necessary countermeasures far more quickly than was the case before 11th September. This means that permanent channels of communication must be established between the countries fighting against international terrorism. Such forms of direct communication would make it possible to exchange information and suggest possible solutions in the shortest time possible. This is why Russia has already set up such a communications link with the National Security Council in the USA and with similar bodies in other countries.

When he visited us in October 2001, the French Minister of the Interior, M. Vaillant, also raised this problem. He stressed the necessity of establishing these direct channels of communication between the organizations and structures concerned in order to ensure that we are adequately armed against international terrorism. We must not only be capable of rapid reaction, we must also achieve some sort of time advantage by being able to warn each other about any dangerous escalations.

In this regard, I would also like to emphasize the necessity of bilateral agreements on cooperation between the relevant ministries and authorities in the countries involved in the fight against international terrorism. Work towards this has already begun and the French have taken the lead by drafting an agreement on cooperation in the internal security sector, which the relevant Russian authorities are currently examining. Amongst other things, the draft document covers joint measures aimed at combating international terrorism, such as the exchange of information and so on. It would be desirable if progress in this direction could also be made with other countries interested in similar cooperation.

Cooperation between Russia and the European Union has also led to some progress in combating international terrorism. In October 2001, O.D. Chernov, the Secretary of the Security Council of the Russian Federation and N.N. Uspenski, Head of the Directorate for International Security at the Security Council of the Russian Federation, conducted intensive consultations on the anti-terrorism problem with the leaders of the European Union in Brussels.

During these consultations, Mr Solana, General Secretary of the Council of Europe, noted that the present would be a good time to begin cooperation between Russia and the EU in this area as relations between them had entered a new phase after the Brussels summit in which the President of the Russian Federation, V.V. Putin, had taken part.

Mr Vittorino, who is in charge of Justice and Internal Affairs at the EU Commission, pointed out the necessity for developing a generally recognized definition of terrorism, a task on which the EU is currently actively engaged. This will not only cover classic terrorism but also new manifestations such as chemical, biological and nuclear terrorism. Mr Vittorino also believes that there are good possibilities for developing cooperation between Russia and the EU on police matters, especially as Europol has a mandate to expand relations with third countries. This might, for example, involve the exchange of information on organized crime networks and other relevant issues.

Positive tendencies are also apparent in Russia's cooperation with NATO in the fight against international terrorism. If this cooperation is to prove successful for both sides, information on international terrorism must be given a higher priority within the Alliance. In addition to this, representatives of the Alliance who take part in joint events with Russia (seminars, negotiations and so on) must be prepared to share that information with their Russian colleagues.

To conclude, I would like to say that we are currently in a decisive phase of development where we will either succeed in establishing channels of cooperation in the struggle against our common enemy, terrorism, or we will have to combat this threat on our own. It would be very difficult, however, to beat the threat by ourselves. In order to escape the military operations in Afghanistan, for example, Taliban or Al Qaida fighters can disperse into other countries, such as the European countries, and go underground for a time. And during that time they could prepare fresh terrorist attacks by using money-laundering networks and money from drug-running operations and the illegal arms trade to amass funds in order to gain access to weapons of mass destruction. If they are not caught, the result might be yet more appalling terrorist attacks. Without international cooperation between the secret services, who have the task of combating terrorism in all its forms, it will be practically impossible to trace future terrorists and to prevent a great number of casualties among the civilian population if they are able to put their plans into effect.

Ovchinski

There is one problem which we have not yet discussed although it does fit in with the other issues under discussion here. This is the fact that alongside the common European economic area, there is also a common European area of criminality. With this in mind, ten years ago the European Union created an institution, Europol, whose job it is to deal with international crime, money-laundering and terrorism within the framework of European cooperation. Over the last ten years, however, Russia has developed virtually no contacts with Europol.

Although Russia is not a member of the European Union and only member states can belong to Europol, Russia could at least have been given the status of observer or associate member. Three years ago, when I was in charge of the Russian branch of Interpol, we began to develop cooperation, and the EU gave us the impression that we would be able to work in cooperation with them on all essential issues with the status of associate member or observer, provided that we adhered to all of the common, valid, European norms on the protection of legal rights.

There is also another problem: the smouldering conflict between the General Secretariat of Interpol and Europol, which neither of them can manage to put aside. It was because of this problem that we

tried to develop indirect relations with Europol so as not to damage relations with the General Secretariat of Interpol. Unfortunately, we did not succeed at the time but the events of 11th September now make it essential to do just that. Europol has a thoroughly effective structure which is in action around the clock and which does an immense amount of work gathering and processing information within the European Union in the fight against international crime, money-laundering and terrorism. That means that we cannot ignore Europol. Instead, we have to establish contacts as a matter of urgency.

In order to drive this point home, I would like to call upon everyone involved to integrate the Russian structures on the protection of legal rights with those of Europol and, at the same time, to effect a reconciliation between the General Secretariat of Interpol and Europol.

Karaganow

That really is an awkward situation and I am surprised that there has been no cooperation up to now. I thought that had already been sorted out.

Gusseinov

If we are to expect serious and global answers to the challenges of terrorism, then the experts and politicians must certainly tackle the issues involved with data protection today. If this problem is not solved, we are hardly likely to be successful in this struggle.

Mr Ovchinski mentioned a joint strategy to combat money-laundering. This is primarily a matter of closer cooperation between the financial investigation services in some of the European countries and the corresponding Russian service, which was recently set up on the initiative of our President. The issue would, however, require more thorough discussion at an international level as well as the development of a joint strategy to counter this evil. It is a fundamentally important issue because Russia is often one of the first to be accused of involvement in these dubious transactions with members of the twilight business world. Our Western partners have frequently voiced similar criticism. Unfortunately, so far, the European Union and Russia have not come up with any concrete, joint measures to combat this sort of wheeling and dealing.

Pyadyschew

I would like to deal with some aspects of political and strategic stability in Europe.

The current situation in Europe is by no means favourable as far as stability in the security field is concerned. We are still faced with dangerous concentrations of tension which could flare up at any moment. The events of 11th September have drawn attention away from the situation in Europe but the events which have occurred on European soil over the last few years have not simply dissolved into thin air.

People still cling to the concept of so-called humanitarian intervention. This is a very dangerous matter which first arose three or four years ago. It is based on the assumption that some sort of ill-defined complex of events which is declared to be a "humanitarian catastrophe", provides a reason for pushing aside state and national boundaries or even for neutralizing the sovereignty of whole states. And the use of military force is simply accepted in the process.

Two years ago, at a session of the Bergedorf Round Table in this same room, we discussed these very points in relation to the Balkans and especially Kosovo. Some time has passed since then and the situation there seems to have calmed down. At least, people act as if it had calmed down. In reality, however, developments in Kosovo are drawing toward their conclusion. Elections have taken place but they took place under conditions which meant that the Serbs there are suppressed. Kosovo is no longer part of Yugoslavia and is becoming an Albanian-Muslim entity in the Balkans.

However, developments in the Balkans have not yet reached their conclusion. At that Bergedorf Round Table meeting, we said that there were one or two other countries in Europe, and especially in the Balkans, where events could well take a similar course. Macedonia could be next. The same process is taking place there as took place in Kosovo then. I could name other examples. There is a serious problem and a real danger here which could ruin all our noble intentions with regard to cooperation on the economy and trade.

This is why we must focus our main attention on the issue of strategic stability on the continent. So far, the work done in this field has hardly been satisfactory. There has also been a lot of commotion in

relations between NATO and Russia within G 8 and G 7 and all the other organizations. There have been more declarations than concrete progress.

I would like to raise a second point. I do not think there is much sense in weighing up whether cooperation with Europe or with America is more important for Russia. I believe that it is equally important to develop cooperation with America and Europe as well as with China and with other regions. It is difficult for us to give preference to one country or one region.

As there are quite a number of German participants around the table, I would like to turn the spotlight briefly on German-Russian relations, but from a different angle. The editorial offices of my magazine "International Life", are located in an old section of Moscow called "German Village". There were lots of foreigners there, but mostly Germans, as early as the reign of Ivan IV, and these were the people who drove progress on in Russia at that time. Not far from our offices there is a house where a young German woman called Anna lived. She was the daughter of a German businessman and Tsar Peter I used to visit her there in the evenings. She almost become tsarina of Russia but fate planned things otherwise. This is just one example of what connects Russia and Germany.

Another example. As you are coming from Sheremetyevo Airport, you will see a World War II monument directly in front of the gates of Moscow. That is where the front ran in November/December 1941. This example shows how close our ties were in the past, even during the bad times.

My conclusion is that there are many countries and continents in the world but that Russia and Germany are bound by fate to remain close and to work together.

Schaffhauser

I would like to speak about European foreign policy, European economic policy and the European spirit. In particular, I would like to point out the deficiencies in European policy and highlight their consequences for future development in the world. From this, the tasks which we still have to overcome in order to build Europe, should become apparent.

To begin, I would like to recall a few facts. It may sound a little polemic but that is not my intention. I would simply like us to consider the situation together.

If we had already had a politically unified Europe, do you believe that the war in Kosovo would have occurred in the way it did? In particular, we would not have sat down at the table with the UCK in Rambouillet, knowing that they are terrorists and that they live from drug trafficking. Do you think it would have been possible to play Eastern and Western civilizations, Orthodox and Catholic Christians, off against each other? Certainly, we would not have approved of the ethnic cleansing which drove the Serbs out of Kosovo. The argument that the Serbs would treat the Albanians in the same way, can definitely not be taken as a satisfactory answer. But is the protectorate which Europe will have to administer there for an indefinite period, an effective solution?

If there were a politically unified Europe, do you think we would have treated Islam in a way which exacerbated the conflicts? I am thinking, for example, of the fact that Russia was destabilized both before and after the Wall fell and that even Europe is now being destabilized. A politically unified Europe would behave differently in the conflict between the Palestinians and the Israelis and would insist much more forcefully on the implementation of UN resolutions. And finally, would a politically unified Europe set a different priority for the North-South relationship? We all know that our support for the poor countries is insufficient and that trade and aid given in solidarity are both equally necessary. It is a fact that the North-South conflict has worsened over the last ten years.

In view of the events of 11th September: If a politically unified Europe had existed, then the death of human beings would not be variously valued. The value of a human life is the same for everyone and we would have looked more closely when between 600.000 and one million Iraqi civilians fell victim to a particular policy. That is well over one hundred times more than the number of people who died in the World Trade Center. We would certainly have reacted with more concern to events in Africa where, according to the UN report, between 400.000 and 700.000 people were killed before Kabila entered Kinshasa.

If there were a politically unified Europe, there would be a European NATO without the Americans. There would certainly no longer be a NATO.

The remarks I have just made also apply for economic policy. Two years before the Wall came down, with the help of advice from Professor Rocco Buttiglione, who was then the papal adviser on European affairs, I arranged a joint convention of forums from the eastern and central European countries. The collapse of the Wall presented a marvellous opportunity to create a policy for a united Europe, a

Europe with two lungs, one could say, a Marshall Plan for Europe. On 8th May 1994, we had gathered together the best German and French economists in order to found a joint initiative on economic revival in central and eastern Europe. But nothing on these lines happened. Here, one should be aware that the Union's budget for the cost of enlargement would only be one three thousandth of the European gross national product whilst the cost of implementing a realistic defence programme alone, or of one of the European large-scale programmes, would take up the whole of the budget of the European Commission.

Finally, a word on the European spirit which is founded on universal values but, at the same time, on Christian values. This would also involve a European reaction against materialism as it is practised because it is precisely through a dialogue between the cultures that a world with greater equality could come about. I do not trust those who say that there must be no struggle of cultures. Basically, they are right, but are they not tending to impose their own culture on others in such a way that a dialogue is no longer possible? I believe that the Europe which we can and must build should first of all discover its own values which are founded in its Christian Universalism. And, at the same time, a knowledge of economic policy in accordance with the ideals of the social market economy also forms part of this. Europe must be prepared to defend and assert its own values. Again, these are based on the European spirit which seeks a balance between individualism and collectivism, which has been called personalism. I believe that we must work on this project in the future and we must do that together with our Russian friends.

Karaganow

Mr Schaffhauser has brought a fresh breeze to our discussions by questioning virtually everything we have discussed so far. I think that we should take account of his reservations, which I believe are thoroughly valid.

Karaganow

We now move on to our third main topic which is, "Russia and the EU: Building a Common Economic and Security Zone". Vladimir Ryzhkov, one of the most experienced representatives in the State Duma, will introduce our topic.

Ryzhkov

This is probably the first time in Russian history that a European movement has been founded as a purely public initiative. Our aim is to promote Russia's integration in European structures and institutions, not only at governmental and interparliamentary level but also at the social level. The movement brings together politicians, experts, business people, analysts, NGOs and others and it includes respected politicians, experts and business people who share European values and are striving for closer ties with Europe. I hope that our project will be successful.

The topic on today's agenda sounds very challenging because it deals with a common economic and security area involving Russia and the European Union. Obviously, neither one nor the other currently exists and it is clear that the goal is still very far distant. Some people even believe that it cannot be achieved at all. I will attempt to outline how we in Russia actually assess the situation and what could be done to improve it.

I would point out first of all that we have made very good progress in relations between Russia and the European Union since President Vladimir Putin took office. I need only remind you that for the first time, in his annual address to the Federal Assembly in Moscow at the beginning of the year, Vladimir Putin named relations with the European Union as one of the three or four top priorities in Russian foreign policy. Interestingly, he did not mention the USA once in that speech. At that time, we were going through a period in which relations with the USA were cooling off whilst the subject of the European Union was becoming increasingly predominant. Since then, the situation has again altered a little so that the impression could arise, and that impression exists, that relations with the USA are again at the top of the list in Russian foreign policy. I do not believe, however, that this is quite the case. Relations with the European Union continue to be one of the two top priorities in our foreign policy.

Secondly, when Vladimir Putin took office, two strategies became apparent which had not existed previously. The first was a European Union strategy in relation to Russia and the second was a Russian strategy in relation to the European Union. The documents which were adopted in this sphere were extremely different. The European Union's strategy on Russia was aimed at supporting internal reform and bringing Russian legislation into line with European legislation. The Russian strategy, on

the other hand, is in many respects a set of guidelines on procedures in case of trade wars and on how to protect Russian commercial interests in dealings with the European Union. The very fact that these two opposing strategies exist is very interesting in itself. We believe that we should now be thinking about working out a joint strategy in order to bring our positions on economic, political and security issues as close together as possible.

After Vladimir Putin came to power, the dialogue between Russia and the European Union intensified considerably. As you know, there are now two summits, one in spring and one in autumn. These are top-level meetings involving the Russian President, the current Chairman of the European Council of Ministers and the President of the European Commission, Romano Prodi, where topical issues on Russian-European cooperation are discussed. The last summit meeting took place in Brussels on 3rd October.

Thirdly, we have seen that the number of joint committees and commissions has increased. In the Russian ministries, more and more officials are dealing with Russian-European cooperation. This is also very welcome because it shows that our relations are gradually becoming institutionalized.

Additionally, over the last two years, numerous, large-scale initiatives have been started in order to promote cooperation between Russia and the European Union. Some of these relate to the economic sphere and I would like to go into these in more detail now.

At the Moscow summit, Romano Prodi put forward the idea of a common European economic area and the Russian President took this up immediately. Subsequently, the two sides began deliberations on what the idea might involve. Up to now, however, there has been no reply on this question. Nevertheless, a high-level working group was formed to flesh out the content of the idea. In addition to this, in the joint statement by Russia and the European Union at the Brussels summit, it was agreed that a concept for a common economic strategy should be developed. We hope that, within six months to a year, this high-level working group will succeed in working out the basis for the concept of this economic strategy.

The second, large-scale initiative is on the so-called energy dialogue and some progress has also been made here. Today, the European Union imports around 21 percent of its energy requirement from Russia. The European Commission calculates that this figure could increase to between 40 percent and 60 percent in the future. As Mr Nazarov said yesterday, this is an extremely important subject.

What stage have we reached in this energy dialogue today? The European Union and Russia prepared a joint submission on the energy dialogue for the Brussels summit on 3rd October and this submission takes the interests of both sides into account. Whilst Russia places great importance on investment in its oil and gas sectors, including infrastructure, the European Union is interested in increasing supplies. Both sides are interested in establishing a trade arrangement which is to their advantage. This submission now provides a basis. We can only hope that the energy dialogue delivers more than just empty words and that investment and the production of resources both actually increase so that our trade arrangement develops to our mutual advantage.

The third direction in which development is taking place is the potential which the Agreement on Partnership and Cooperation holds for settling trade disputes, of which there are still a large number. I am thinking, for example of the steel sector where the Partnership and Cooperation Agreement provides an arbitration procedure to facilitate compromise.

The fourth aspect concerns the WTO. It has already been pointed out, quite rightly, that some of the demands being placed on Russia are unreasonable. There is the demand, for example, that Russian legislation must first be brought into line with WTO norms. The approach toward other countries which have joined the WTO has been quite different. They were able to join first and then harmonize their laws with WTO guidelines during a certain period of transition. That is why Russia is insisting on the same treatment as all the other countries. The final declaration at the last summit in Brussels contained a special paragraph on the WTO, and the European Union pledged to work to ensure that Russia joins the WTO as soon as possible. I think the year 2004 is a realistic target date to set for us to become a full member of the World Trade Organization.

The dialogue going on in the business world is also important. The Round Table group of industrialists and entrepreneurs in Russia and the European Union has recently resumed its work again.

Debate on the enlargement of the European Union is also significant for economic cooperation, and Russia has a few concerns on this score which I will illustrate using the example of Finland. When Finland joined the European Union, Russia lost some of its traditional markets because of the quota system which exists in the EU. Brussels recognizes this and we are conducting an equitable dialogue

on the possible consequences of EU enlargement. As our Polish colleagues here will certainly know, this could also have an influence on Russian-Polish trade after Poland joins the EU.

There has, therefore, been a certain amount of progress in the economic sector over the last two years but we do not regard this as in any way adequate. I have already mentioned the difficulties with the negotiations on membership of the World Trade Organization. In addition, there are also insufficient, concrete, large-scale, joint projects with the European Bank for Reconstruction and Development. And within the framework of the Northern Dimension, there are as good as no large-scale projects although there has already been repeated discussion on the construction of a rail connection from Moscow to St Petersburg to Helsinki. I am thinking too, of other projects such as the Moscow - St Petersburg - Helsinki motorway and a high-speed railroad connecting Moscow, Minsk, Warsaw and Berlin. There was talk of establishing modern communication lines even when Mr Primakov was prime minister but, up to now, no practical progress has been made at all on any of these projects. All we have is paper and good intentions. You will appreciate our disappointment about this.

In just the same way, so far, neither side has an economic strategy. That means that we do not know what we can actually expect from a future relationship with the European Union and the European Union has no clear idea of what Russia expects from that relationship either. And here, I would emphasize that the European Union already plays a predominant role in the Russian economy today. Currently, up to 40 percent of Russia's foreign trade is conducted with the European Union. After EU enlargement, that will rise to between 50 percent and 60 percent.

The European Union is our most important investor and the European Union countries are at the top of the list for direct investment. They are also our main creditors - especially Germany and France. In other words, the EU is our most important trade partner, our main investor and our biggest creditor. The EU is our most important trade partner in every respect. Nevertheless, we are not satisfied with the level of economic cooperation with the EU and we need faster progress. I trust that our joint efforts will enable us to progress in this area.

I would like to make a few comments on Kaliningrad, where there are certain divergences of position between Poland, Lithuania, Russia and Brussels. Whilst Poland and Lithuania are in favour of retaining a soft border regime, with the transit of people and goods remaining as transparent as possible, Brussels takes a somewhat harder line on Kaliningrad. We fear that millions of Russian citizens who live in the Kaliningrad Oblast, as well as hundreds of thousands of Polish and Lithuanian citizens living in the border areas, will be separated from each other when European Union enlargement takes place in 2003 or 2004, and that human, economic and other relationships in this region will be torn apart. If Brussels insists on strict observance of the Schengen Agreement and the border crossings are tightly controlled, it will not only considerably harm the inhabitants of Kaliningrad, Poland and Lithuania, it will also put a strain on the European Union's relations with Russia in general. We should, therefore, think about the need to find special solutions for Kaliningrad on visa, border, trade, transit and other issues. Otherwise, it could have a very negative influence on relations between Russia and the European Union.

I would like to quote just two statistics on this topic. In the current year, Russia is investing a total of 70 million roubles from its budget, in the Kaliningrad Oblast. That is around 2.5 million dollars. For next year, we have planned 800 million roubles for state investment in the infrastructure of the Kaliningrad region. That is more than a tenfold increase. We want to use this to bring the infrastructure and living conditions in the region into line with those of its neighbours, Poland and Lithuania. So, when people insist that we should do something first and make some investment ourselves - that is already happening. The programme for Kaliningrad is one of the largest investment programmes in the Russian budget. Nevertheless, we expect the European Union to make the same sort of effort with regard to infrastructure for the border crossings, in the municipal sector, in the ports, in transit arrangements and in the energy sector of the Kaliningrad Oblast. If we work together, we can make significant progress in this area.

There has already been some progress on cooperation on science and technology and on the creation of a common European research area although we have found this disappointing, too. There is enormous potential for cooperation in the scientific field but up to now we have seen no appropriate, tangible results. For the most part, there have been only declarations of intent. The field of thermo-nuclear synthesis is just one example. Cooperation between Eurokosmos and Rosaviakosmos is progressing reasonably well and there have been several agreements on satellite launches and other things.

Slight progress has also been achieved on visa and consular affairs. The European Union is demanding that Russia signs an agreement on the return of emigrants. The problem is that most of these emigrants are not Russian citizens and Russia has concerns about the costs involved.

I would now like to turn to environmental protection. Regrettably, the wind somehow seems to have gone out of the Northern Dimension's sails since the Finns first put forward this suggestion and got things off to a flying start. The whole thing has now been reduced to a few environmental problems such as joint deliberations on radiation security and so on.

As a result, whenever another summit has to be prepared, our officials always get into a sort of panic and start racking their brains to think of things which could be discussed at the conference. Time and again, the cry goes up that twice a year is too often and that once a year or even once every two years would be better. Consequently, discussions take place and well-intentioned wishes are expressed but very little concrete progress is made. There are not enough concrete projects and successes. This should make us stop and think because there is vast potential which is not being adequately exploited.

It has been said here, now and again, that Russia had lost interest in the European Union and that relations with Washington were now far more important to us again. That is, however, in no way true. In Russia, the very down-to-earth view exists that our main partner is the European Union. Russian companies are immensely keen to get involved in the European marketplace. Despite the indisputable importance of the war against terrorism, the coalition against terror and our relations with the USA, no one in Russia should forget just how important our relations with the European Union are and that they must continue to be strengthened.

To conclude, I would like to make a few comments on cooperation on foreign policy and security. In this area, things are far worse still than they are with regard to economic cooperation. The situation is made more difficult by the fact that the European Union is only just beginning to develop a foreign and security policy of its own. This is particularly true of the European Security and Defence Policy (ESDP). The joint declaration on security issues in Europe, which Russia and the European Union signed on 3rd October in Brussels, states: "Dialogue in the area of the European Security and Defence Policy is dependent on the progress which the European Union achieves in this field." In other words, the Europeans are not yet sure themselves whether there will be any progress on this at all and as a consequence, cooperation with Russia is made dependent on the achievement or absence of such progress.

Up to now there has been almost nothing at all in this area. From time to time, some co-operation between Russia and the EU takes place such as in the Balkans, especially in Kosovo and Macedonia. There are sporadic contacts with regard to the situation in the Middle East. There is also discussion on the situation in the southern Caucasus, including the Karabakh conflict and all that that involves - so, not just on Chechnya because the southern Caucasus covers a much wider spectrum of problems. But there is still no sort of concrete structures or institutions on cooperation apart from Solana's trips to Moscow now and then, and discussions at summit meetings.

What has become apparent is that after 11th September, individual, national states took action. Germany joined this process with the dramatic vote in the Federal Parliament. France is taking action and Great Britain has been doing so since the very beginning. NATO is involved to a slight extent - and the UN to an even smaller degree. The EU is playing no role whatsoever. At least, apart from a few symbolic declarations, we are as yet unaware of any EU action in this area.

In addition to the joint declaration on foreign policy and security issues, which I have already mentioned, the Brussels summit also took up a joint declaration on international terrorism. I have read both documents carefully and I must say that they are extremely abstract. The terrorism document is about the exchange of information and expert opinions. As far as political dialogue on security issues is concerned, that document only repeats a few familiar declarations calling, for instance, for dialogue on the Balkans and the Caucasus, on nuclear non-proliferation and on landmines and so on. There is no sign of any significant, institutional progress or suggestions.

My brief conclusion is: First of all, Russia is extremely interested in rapprochement with the EU. An ever-increasing number of politicians, experts and business people are already raising the question of Russia's longer-term integration in the EU with us. They want not only cooperation and more intensive partnership but integration as the long-term goal in our relations. I also share that view.

Secondly: The present level of our relations does not match the potential and the opportunities which are open to us. In part, Russia is itself at fault here because our trade tariffs are ten times higher than those of the EU and we are four times worse than the EU at keeping to the rules of the Agreement on

Partnership and Cooperation. But the EU must also accept some of the blame because it has so far been unable to bring itself to embark on serious, joint projects with the Russian Federation.

Steinel

Mr Ryzhkov has comprehensively and accurately described the relations between the European Union and Russia. Perhaps the Russian side should not be quite so impatient with regard to the speed of developments. Only a year ago a notion such as the European economic region was at best familiar in academic circles, while today this has become a political reality even if the economic reality is not yet visible.

At least in Brussels we now have a fairly clear idea of what the European economic region is meant to be, namely the inclusion of Russia in the European single market. That will be the task, say, for the coming ten years. We should not forget that the creation of the European single market was on the agenda back in the 1960's; progress accelerated in the mid-1980's thanks to President Delors. But it took almost another decade until the European Union project was implemented. By comparison we have come a long way with Russia in only one year.

Now what does this European economic region entail? Allow me to take one quote from the strategic document: "It should cover a wide range of priority areas, ranging from accounting standards to technical standards in legislation including areas such as environment, energy customs, government procurement, transport and competition policy as well as strengthened regulation and supervision in financial services." Russia should be included in this scenario. Now I believe that is a realistic opinion as long as Russia's membership of the European Union is not on the agenda.

It is no secret that the European Union, at least at present, is not geared to taking on a country as large as Russia as a member. We already have enough to do to cope with probably ten new member states in the coming years - it will be no easy task. But Russia has hitherto not expressed any wish to become an EU member. Seen in this light, the European economic region is a realistic option and we are making good progress here. This coming December the so-called "high-level group" will meet, headed on our side by Commissioner Patten.

Likewise, Russia's membership of the WTO cannot be rushed. The negotiations with China took longer than ten years. And Russia will not be able to avoid accepting the statutes of the club if it wants to be a member. In other words, negotiations are needed on the conditions for membership.

One problem in this context between the European Union and Russia is the so-called Partnership and Cooperation Agreement that Russia and the EU have signed, granting each other preferential trading rights. The Europeans would gladly maintain these advantages even if Russia, following its entry into the WTO, is obliged to grant most-favored status to all the other WTO members.

One word on Kaliningrad, which is an unresolved problem, even if the new EU member states of Poland and Lithuania do not implement the so-called Schengen regime immediately, thus making their borders with Kaliningrad into foreign borders. But there is still time enough to find solutions to this problem.

As regards the European security and defence policy, there has been considerable development recently even if much of this has only been on paper, albeit in very detailed form. This was a special focus of the German EU Presidency. But as yet almost no essential assets and capabilities have been designated.

In this respect Russia already enjoys a certain preferential treatment compared with some accession candidates. Poland and other potential member states, for example, have complained that at the last EU-Russian summit monthly consultations were agreed between Russia and the Foreign and Security Policy Committee in Brussels. At present, a similar arrangement is not even in place for the new member states. So, over the last 12-18 months there has been tremendous development in relations between Russia and the European Union.

Nazarov

Ladies and gentlemen, as it is very cold outside, in my role as the representative of an energy company, I would like to draw your attention to the problems of security in the energy sector. In particular, I would like to speak about current developments in the supply of natural gas and especially of pipeline gas, i.e. gas which the consumer receives through a pipeline. This is a topic which, as you all know, knows no state boundaries. It is a system whose elements - production, transport and

utilization, are all interdependent. Each depends on the other and they are all connected with other elements of our common security system across the whole of the continent.

In the near future, Europe's requirement for natural gas will increase to almost 300.000 million cubic metres per year. One of the main external suppliers is Algeria, whilst Norway to a certain extent serves as an internal resource, maintaining the overall European balance. And Russia is the main producer and supplier. In addition, there are gas reserves in central Asia which are regarded as future sources of supply. Technological factors mean that we can hardly expect any rapid increase in production and supply from Algeria or Norway. In addition, the Norwegian resources are too expensive for today's European market so that they cannot contribute in any effective way to a liberalization of the European gas market in order, primarily, to keep end-user prices down.

Unfortunately, Russia has not yet emerged from its crisis. Production is currently falling and experts calculate that the development of new reserves in the Polar region will only be able to compensate for this for two years at the most. For the year 2010, prognoses from the Russian Ministry of Trade and Commerce foresee a possible production deficit in Russia of 75.000 million cubic metres. The resources on which Europe and the other participants in the natural gas marketplace are counting, are certainly available in central Asia; the resources are not the problem. The problem is that the existing pipelines currently do not have the capacity to deliver the quantities required to the European markets. According to official statistics from Kazakhstan, the existing middle and central Asian pipeline system, which runs through Kazakhstan, presently has an annual conveying capacity of 47.000 million cubic metres of natural gas. After improvements to the pipelines, which would require 150 million US dollars in investment, that capacity could be increased to around 60.000 million cubic metres per year.

I have already mentioned that demand in Europe will increase to 300.000 million cubic metres in the next few years. 60.000 million cubic metres of that come from Algeria and a little over 50.000 million are in the form of the expensive gas from Norway. As I said, Russian production is decreasing and it will not be possible to convey adequate energy resources from central Asia to Europe. What is the way out of this crisis situation? There has to be a transition period during which all of the countries connected by a pipeline running to the west, will have to create the necessary financial conditions, begin new explorations and develop new deposits so that new pipelines can come on line. Experts reckon that this transition phase could take between three and ten years. The specific technological and marketing features associated with pipeline gas mean that quick results cannot be expected.

It is precisely during this transition phase that the problem of inadequate future resources could be solved and increasing demand satisfied. The development of the raw material resources on Russian territory and the capacity which Russia currently has for conveying natural gas to Europe, provide evidence that the key to the solution of the problems in the transition phase lies in Russia. However, these problems can only be solved with the help of so-called independent gas producers, which means producers who are independent of Gazprom. These independent gas producers are important because on the exploration and development side, Gazprom, which is state-owned, concentrates mainly on large-scale deposits as these are the only ones which it finds viable. Development takes years and requires thousands of millions in dollar investments.

On the other hand, the situation is different for the smaller and independent producers who are either already active on this market or want to get into it. They are prepared to work medium-sized and smaller deposits which require less time and money. In this way, these independent gas producers could balance out the general situation and provide security in the energy sector by producing, conveying and supplying the volumes needed for the European market. All the independent producers need is the creation of normal working conditions which would make their activities in Russia viable. The independent producers will use their own financial and technological resources to enter the gas business. It is interesting that among these independent producers, it is becoming increasingly easy to find concerns in Russia which were previously only involved with oil projects. I believe you will agree that this is a reflection of the global tendency for many oil concerns to switch gradually into the gas business.

I would like to say just a few words on the liberalization of the European gas market. On the question of liberalization, many people think solely in terms of achieving the lowest possible end-user prices in Europe. If this is the case, however, the liberalization process on the European marketplace for gas could lead to an undermining of Russia's raw material basis - and here we are talking about a country which today actually provides the guarantee for European energy security and which is an important factor in terms of military politics and other issues.

Why is that the case? Firstly: If European gas prices fall to a level which is not viable for the Russian gas producer or for producers who work in Russia because it does not allow them to cover either

production or transportation costs, then they would consequently be forced to cut back gas production in Russia. In its turn, that could see the start of the destruction of Europe's most important hydrocarbon fuel supply source.

Secondly: If liberalization makes the European market unattractive for the gas producers, then within around ten to fifteen years of constructing the transportation routes, they could switch their supplies to Asia; to countries such as China, India and others. Experts estimate that in the future, this region will consume up to 150.000 million cubic metres of gas. That would be roughly the same volume as currently goes from Russia to Europe.

This is why I believe that Europe needs to think seriously about how it intends to play a role in developing the raw materials resources on the territory of the Russian Federation and in the construction of a new gas pipeline infrastructure which will become an important factor for the system of common security in the economic and energy sectors.

Just one short comment on the other gas reserves which Europe uses today to meet part of its needs: One should not forget that some of these are located in countries which are known to be unstable in terms of their military political situation. In the case of other resources, security problems in transit countries make it very difficult to get them to the European markets.

So, on this cold winter day in this high-level forum, we need to give some thought to how the representatives of the European political institutions can work together with us in order to ensure the realization of the vital economic tasks which, today, affect all of the players in our common energy area without exception.

Khudolei

No matter how Russia's relations with China, Japan or the USA develop, there can be no doubt that the European Union belongs among Russia's top priorities because the EU is our nearest neighbour and trading partner. Nevertheless, I agree with Vladimir Ryzhkov, that the level of our relations does not match our joint potential.

However, this is not only due to a few unsolved, organizational questions or to the fact that certain discussions are not taking place whilst others take place too often and result in the production of too much paper. There are several, more serious reasons which prevent progress being made and these explain why, no matter how much effort both sides may make, no real breakthrough will be made in relations between Russia and the European Union in the next few years. We are still in the initial phase in order to ensure that a breakthrough can be achieved much later. I believe that in the near future we will essentially be concentrating on smaller-scale plans such as individual projects, which will be short-term, rather than long or medium-term in nature.

First of all, I would emphasize that Russia and the European Union are at very different stages of development. This is especially obvious in the north-east where the border with Finland is also Russia's only border with the European Union. Today, the contrasts which can be seen at this border are among the starkest in the world because the differences on each side are simply too great. Among other things, this leads those on either side of the border to adopt different approaches to many matters. This is not a question of a lack of mutual understanding but is due to the fact that people on either side work under completely different conditions. It will take time for that to change.

There is a second reason which is also currently having an inhibiting effect. The problems of the European Union have already been mentioned; there is, for example, the fact that most attention is presently being devoted to enlargement. I have the impression that the EU has more serious problems to deal with at the moment. It is implementing several large-scale projects such as institutional reform, transition to a common currency, the issue of a common defence policy and enlargement. That means that, at present, the EU has to concern itself primarily with its internal problems, and especially the question of enlargement. At the moment, however, Russia also has a number of problems to do with internal development, which take priority. The modernization of the country, for instance, demands great efforts and much of our attention.

A third factor has also been mentioned already. Up to now, Russia has still not worked out its own definition of how it intends to coexist with the EU and develop together with it. Even if we look at the official documents and speeches of the members of the Russian government over the last few years, we can find only a conglomeration of completely different opinions on this question. They start from Russia not even wanting to be an associate member of the EU and range through to Russia possibly joining the EU. Obviously, membership of the EU is not formulated as a goal for the immediate future but it is not excluded as a long-term prospect.

On this point, however, the 1999 Strategy says something different. Here, it states that even associate membership is not possible in the near future. This is what causes the doubts on the European side, even though there is a similar conglomeration of the most varied opinions on this issue there too. Until there is clarity on this question and until we define what we are actually aiming for in the long term, in ten or twenty or more years, I believe it will be extraordinarily difficult to develop a unified concept and then still go on to put it into practice.

I believe, therefore, that we should devote more attention to the smaller issues which are more likely to produce better results. In this connection, I would like to point to the policies of the Northern Dimension, not just because I live in a region which belongs to the Northern Dimension but because, even after an enlargement of the European Union on the scale which has been put forward, north-west Russia will still be the only region in Russia which borders directly on the European Union. This common border will be extended by the Kaliningrad Oblast and several other regions in the northwest. For this reason, the Northern Dimension could become one of the most important factors in the development of our relations.

Karaganow

I would add that the West is not exactly investing a great deal of effort in supporting the Northern Dimension at the moment. It has not really got past the seminar stage. The Russians are promoting it more intensively. Some oil pipelines and terminals are already under construction in the Leningrad Oblast, for example. The decision has also been taken to start work on new gas pipelines to the Nordic countries from 2004/2005.

One question which interests us, is whether, in view of recent events, the EU's whole concept on the development of its own security policy - and even its own foreign policy - is in crisis. Perhaps we are striving in vain when we try to develop relations on the basis of a phantom European security policy and just the vague apparition of a European foreign policy. Perhaps we should concentrate mainly on the economy, the social sector and other areas and simply cooperate with individual states on foreign policy issues. In any case, my impression is growing that that is how things are going. Other colleagues are also having the same thoughts.

Ellemann-Jensen

You have asked the same question that Henry Kissinger asked many years ago: If I want to talk to Europe give me a telephone number. Of course, there is a telephone number; you can give Mr Solana a call. You are right if you believe that there is still a long way to go before you have a more common European policy. I am not advocating patience but the contrary, impatience. I am just arguing that one should not give up. That is why I was happy to hear Mr Ryzhkov's refreshing and impatient kick in the behind of all the foot-dragging European politicians and bureaucrats. But part of that kick should be directed in your own direction as well. I am sure you are perfectly aware of that.

I fully agree with you that some goals have to be set and have to be pursued, for example Russia's quick entry into the World Trade Organization. The same applies to the whole energy debate. Well, we have the energy dialogue with the energy charter conference where things are moving in the right direction. As to the development of business contacts I believe you have also to search your own soul, because there is still a long way to go before the European acquis is introduced into Russian legislation and before that legislation is put into practice. Many things have to be done there before you can secure the kind of investments that are needed.

But I was surprised at some of the old stuff I had not thought to hear from such a young man. You still seem to be hooked up on this old traditional thinking of everything being a zero sum game. You said you have your concerns about the enlargement of the European Union that takes away markets en masse. You mention Finland, Poland and the Baltic states and so on. Come on, try to think dynamic! We are not facing zero sum games. We are facing games where everybody is going to benefit from the economic growth that is established by the enlargement in, say, the Baltic region. I can refer to some very interesting economic models that have been created in Denmark and in Sweden that show that this growth in the new market within the European Union will lead to growth in other countries too.

I am using that argument in Denmark as well because there is also a lot of traditional thinking in my own country. Some of my compatriots say: Why should we bring in Poland and the Baltic countries? This will cost us a lot of money. And the argument is, yes, it will cost a lot of money, but it is a damned good investment because the economic development will benefit all of us and our benefits from that will be larger than the costs. We have to make sure that the same is the case when we are talking about Russia. That is why all these programmes that integrate Russia more strongly into the European

process are of immense importance for economic reasons, for social reasons and certainly also for security reasons. This has to be seen in this context.

That is why something like the Northern Dimension and the Northern Dimension action plan should not just be pushed aside or put on ice as some funny idea of the Finnish Presidency. On the contrary, you have an action plan and a number of meetings have been arranged and a monitoring process has been put in place with this action plan. A lot of pressure is being put on the EU-Commission right now in order to secure financing of those important projects. I fully agree with Mr Khudolei who says that once the European Union is enlarged in the Baltic region the whole philosophy behind the Northern Dimension action plan becomes more and more important. So after having heard that somebody in the Commission seems to believe that this is just a funny idea of the Finns, let me assure you that the forthcoming Danish Presidency of the European Union will do all it can to make that kind of misconception disappear in the minds of the European Commission.

Finally, let me wish you the very best of luck with your argument against having summits twice a year. I have had the same experience. If you have too many summits all the poor Sherpas and other bureaucrats are running around creating new agendas instead of trying to fulfil the old ones.

Ryzhkov

I cannot resist responding to Mr Ellemann-Jensen because it is extremely rare that someone accuses me of outmoded thinking. My point concerns the following situation: If an acquaintance of mine from the Altai has to take a three and a half hour flight to Moscow and wait for four hours in a queue in front of one of the European embassies in order to get a visa, and then returns to Barnaul, where he has to wait another two weeks before he can come back to Moscow to fly from there to one of these EU countries - then that is precisely the sort of procedure which provokes outmoded thinking. That is why we should be very careful in dealing with these small matters, although it can hardly be called a triviality when four to four and a half million Russian citizens visit the European Union every year. Every one of them has to cope with this problem.

What we fear is that the enlargement of the European Union will lead to a situation where we need the same sort of visas for Prague, Budapest and Warsaw and, later on, even for Vilnius, Riga or Tallinn. If we do not tackle this problem today, it really could lead to a reversion to outmoded thinking. This is what I meant when I said that, in any dialogue on the enlargement of the European Union, we must not forget the people.

I am very grateful for the comments about the Northern Dimension and I would like to call upon our friends in Brussels to support the Northern Dimension more actively. I recently visited Helsinki where I was able to see that the Finns are still standing by this programme and are prepared to do something to promote it. That probably also goes for the Danes and the Swedes as well as our German friends. The Northern Dimension really is a very promising initiative which must be developed.

I think Konstantin Khudolei will agree that, in spite of all the problems, the Russian-Finnish border is Russia's best border today. This may be where the greatest contrasts in standards of living can be seen but currently it is the safest and best-organized border in Russia and it is in this region that we have had the best experience of cooperation on cross-border traffic. That is why the Northern Dimension is very important to Russia. I hope that it will become just as important to the European Union.

Rahr

The common areas which Mr Ryzhkov mentioned could be a kind of vehicle for closer ties between the EU and Russia. Under Boris Yeltsin a great deal of time was lost, namely ten years up to 1999, when the joint agenda was essentially made up of talks about debt reduction and new loans. The European Union regarded Russia as a poor and fragile country that had to be rescued from disintegration. Discussion focussed on possible links between Russia and Europe; there was no mention of including Russia in Europe.

Now although it is certainly too early yet to make any reliable assessments after two years of Putin's presidency we can certainly say that the quality of EU - Russian relations has improved. In particular, Russia today plays a completely different role in world politics and in the world economy than it did two years ago. Russia has become a reliable and attractive partner for the European Union. The new legislation Russia has introduced over the last two years has been a major contribution.

That said, certain priorities ought to be set when establishing common areas. For example, we should start with a common economic area and not with a common security area. Only with the assistance of

the business world do we have a chance of creating a sense of mutual trust that is a precondition for establishing a joint security area at a later date.

I think two things are necessary for the development of a joint economic area. First, the Russian market has to be opened further for Western investments. A lot of Russian economic mechanisms have become more effective but foreign investments are still required.

Second, the European Union should initiate overdue concrete talks with Russia on terminating trade restrictions. This subject has been postponed repeatedly. Moreover, the creation of a common cultural area deserves consideration.

Mr Pyadyshev has said, and this is typical of debate in Russia today, that Russia cannot really decide where to put its priorities - with the United States, with China or with the European Union. They are considered three equal options. And precisely this attitude disconcerts the European Union. The Europeans ask whether Russia sees itself primarily as a future super power in world politics that acts alongside the EU, or is it interested in being fully integrated into a single Europe? If Russia aspires to the latter, then a joint foreign policy could be established together with Europe on China and the United States is something worth considering. This could relate, for example, to joint initiatives in the Mideast in order to defuse the Israeli-Palestine conflict. Perhaps even joint peace missions are possible - and I am deliberately being a little provocative - in order to solve the Abkhazia question in Georgia. Why should it not be possible for Russia and the EU to pursue a common policy on such issues?

At present, I see three major areas of conflict with Russia. The first relates to Belarus. If the situation calms down in Afghanistan, the European Union might increasingly focus on Belarus, a state that has considerable democracy deficits. In other words: How could democracy be strengthened in Belarus - with or without Russia's support? That could indeed become a problem since Russia and Belarus are both part of the same union state.

The second is civil dialogue. The European Union lists a number of shortcomings in Russia at this level, while the Russian side rejects any interference from outside in such matters. For this reason, perhaps negotiations should focus more on a joint modernization strategy and less on the transfer of Western democracy to Russia. If the EU presents itself as Russia's modernization partner rather than a partner for democracy then this would also support democracy in Russia since there will be no modernization without democracy.

In my opinion, the third major problem is the central and east European countries that wish to join the EU and NATO and still have immense reservations against Russia. From the Russian point of view some of these states are considered to be something like a US fifth column as they are aligned more strongly to NATO than to the EU and rely more on the protective shield of the Americans than joint European positions.

What we are witnessing here is that the fear of Russia still plays a major role in these countries. I believe that it is also in Russia's interest to overcome these fears. It is all the more surprising that in the two years he has been in office President Putin has not yet visited a single central east European country. He was in Ljubljana once in order to meet the US President. In this respect Russia should become more proactive in claiming its place in Europe. If in the 90's Russia had pursued a serious reconciliation policy with the former Warsaw Pact countries, then who knows whether all east Europeans would be so vehement about NATO membership.

Nazarov

We are talking here about what common space we can create in Europe. I believe you will agree when I say that God has already created a space in which we all live together. There is the common air which we breathe, the common territory, the common rivers which connect us and the common environment. And human civilization has gone further by making it possible to create a common energy space for us, which is connected technologically by a gas pipeline and which does not stop at the European Union and Russia because the resources of Africa are also part of it.

Many of the processes which take place in this space prove that most of the problems in the energy sector cannot simply be seen as problems in the relationships between various countries, no matter how important these countries may be in political and historical terms. Our civilization has common energy-specific problems which we can only solve together and which we must solve together by uniting the efforts of many states and companies.

Alongside the production and development of raw materials resources, one of these very problems is the redevelopment of existing transport pipelines and the construction of new pipelines, which represent one of the fundamental guarantees for the smooth provision of Europe's energy and for the creation of a reliable energy security system on the continent. In many respects, our effectiveness in solving these energy-specific problems will also determine the common perspectives for European development in other areas.

Ruhnau

It is my impression that to a certain extent we are discussing pseudoalternatives - for example, on the question of whether Russia should in future align itself more towards China or the United States or Europe. These are in reality not real options; the decision has already been taken.

Look at today's trade flows. Of the total Russian exports, nine percent go to the United States, and 8.5 percent to Germany, followed by the Ukraine, Belarus, Italy and the Netherlands, which each account for 5 percent; the other countries are not even listed. The Russian imports statistics show that Germany is top of the list with 14 percent, followed by Belarus and the Ukraine; the United States accounts for eight percent, Kazakhstan and Italy both have four percent.

That is the reality. In other words, the Russian economy has long since made up its mind. What is required in Russia is also not a French style planification, as Mr Schaffhausen suggested, neither does it need new institutions. The only thing that is important is for Russia to take down trade barriers.

Let me illustrate this with a concrete example. The German state of North Rhine-Westphalia maintains a trade representative office in Nizhni Novgorod and intends to set up an honorary consulate there. I am curious how long the Russian bureaucracy will take to set it up.

In Nizhni Novgorod there is a German company that produces plasterboard, 25 percent of which is exported to Germany. Now that benefits the Russian economy, too. In the case of these exports, the Russian tax authorities require presentation of certification that the goods have crossed the border. Such certificates are issued in Brest and the company has to send a representative to Brest to collect the certificates. I hardly need explain to experts on Russia that this involves a whole range of expenses. These are the things you must abolish Mr. Ryzhkov, and it is simply a matter of political will power.

I will give you another example relating to planning the motorway from Paris to Moscow. Why do new ideas constantly crop up? A European plan already exists, namely the trans-European Transport Corridor 2, that is meant to run from Berlin via Warsaw and Smolensk to Moscow. Boris Nemtsov and I convinced EU-Commissioner Neil Kinnock that the route should be extended through to Nizhni Novgorod. And now the Russian side has tackled the plan and proposed extending the corridor to Yekaterinburg. What I cannot understand is why the smallest partner in the consortium, namely Germany, chairs the steering committee and bears the costs for the secretariat. Why has the Russian side not taken this on and appointed an able Russian administrator as chairman? Such things must be pushed by the Russians themselves. Russia's economic development stands to benefit and it also promotes mutual relations.

I am sure, Mr Ryzhkov, that when your generation and the even younger people who I meet in Nizhni Novgorod, take charge of these things, then they will very swiftly abolish these old rituals, these outdated emotional preferences that only cost money and do not make money. And I wish you the best of luck!

Below

I would like to speak first of all about the economic consequences of international terrorism. Viewed superficially, everything seems to be quite clear. The events of 11th September led to sharp price falls on the stock markets and major fluctuations in the shares of individual companies. There were crises in the insurance market and the aviation sector, orders for the aircraft industry dropped, the tourist sector went into crisis and there was a crisis on the oil and fuel market. The processes of recession in the USA and other Western countries became correspondingly worse.

A much more far-reaching problem, of which we have not yet become fully aware, concerns the changes in the behavioural psychology of the players in the economy and the decisions they make. This involves, for example, a change in their reactions to the macroeconomic, regulatory instruments in the leading countries. It involves reactions to things such as changes in central bank interest rates or tax-rate changes. For this reason, the conditions of global dependency are forcing states to introduce a new regulatory model for their national economies.

Uncertainty, insecurity and pessimistic expectations are, therefore, the consequences of the terrorist attacks. The constant fear of fresh acts of terror has also become a significant threat factor for the economic security of the Western countries. Russia is affected in many ways, too. Unfortunately, the process of economic globalization is one of the most important reasons for the increased susceptibility of national economies.

One of the tasks of joint cooperation will be to define weaknesses in the national economies so that potential dangers in the economic sector can be countered in good time.

I agree with all the speakers who have remarked on the progress which has been made in the European-Russian dialogue, particularly in the economic sector and in this regard, I would particularly point to the results of the May 2001 summit. I believe that this progress can essentially be traced back to positive changes in the Russian economy and I will deal with these briefly.

At the beginning of November, a financial supervision committee was founded which will begin work on 1st February 2002, when the law on money-laundering takes effect. The committee is also called the financial secret service. The questions of land ownership have largely been solved. Investment has been made in human capital resources, amongst other things within the framework of the presidential administrative management training programme. Over the last three years, more than 15.000 such executives have been trained and around 1.500 of them completed a practical work experience period in Germany. Germany has invested DM 32 million in this training programme.

Russia has good reason to fear significant economic losses after its eastern European partners join the EU. These losses may well run into hundreds of millions of US dollars. Unfortunately, so far, no appropriate, potential mechanisms for cooperation under these new conditions have been introduced.

As far as Kaliningrad is concerned, up to now we have largely been dealing with a big speech bubble. I would, therefore, ask Mr Ryzhkov whether there are already any working groups which are dealing with the concrete problems there and developing scenarios or different models for the possible integration of Kaliningrad in the area which will surround it in future. According to my information, the only activities currently going on are limited to passing the buck around. The German side says: "That is your problem". Brussels says: "Find a solution". Moscow says: "We are getting no feedback". And so it goes on.

Now to the concept of a common European economic area which Mr Prodi broached. In my opinion, this must involve not only economic factors but also elements of the protection of legal rights and of humanitarian, scientific and cultural cooperation. Here, for instance, Brussels regards the harmonization of the legal foundations between Russia and the EU as an important prerequisite for the creation of a common European economic area. That means that Russia is required to take over the norms of the *Acqui Communautaire* unilaterally. Although the EU has distanced itself from its demand that Russia brings its own legal standards into line with these norms, Brussels nevertheless sees these as the basis for a common European area. I believe that this legislative harmonization must be implemented on the basis of the universal proposals of GATT and the WTO, which both sides have to satisfy.

In Russia's relations with the EU, the only possibility is the harmonization of individual legal norms such as customs regulations and other particular legal standards, which do not endanger the unity of the Russian state. Regrettably, especially in Russia, the economic players have not yet become the driving force behind the rapprochement between Russia and the EU.

As Mr Ryzhkov mentioned, our officials are sceptical towards conferences because they do not know what to flesh them out with. My impression is that the interests of the Russian companies have not yet reached the critical mass necessary to force officials to get to grips with the problems which are vital to those companies which have an interest in partners in the European countries and which want to get their products and services onto the European markets.

If future reforms in Russia were to bring it up to the level of the *Acqui Communautaire*, then there would be no need for Russia to join the EU because a suitable economic and political environment would already exist and Russia would be largely capable of looking after its own interests on the markets for capital, goods and services as well as on the labour market. All that would be needed then would be relative freedom and mobility for these factors at the border between Russia and the EU. The European and the global economy are acquainted with enough models for cooperation within the framework of free trade zones, which facilitate the mutual advantages we are still aiming for through integration in the economic and security fields.

There is still a lot of potential in bilateral, economic cooperation with the European countries, of which Germany is our most important economic partner. In February this year, the decision was taken to found a Russian-German agency for promoting investment, but nothing has happened since. These are purely theoretical ideas which are of no practical value.

This was also discussed at the Bergedorf Round Table session in Moscow in October 1999. We need to give up the present, ineffective foreign trade system and intensify cooperation in modern areas such as information technology, biotechnology, gene technology and space research. Primarily, this also means progressing regional cooperation to a new level and re-establishing relations with the small and medium-size concerns in eastern Germany. We may talk about this here but it is now time, just as with Kaliningrad, for the Russian legislature and executive to make efforts so that the words can be followed by actions.

Schaffhauser

I would like to thank those who reminded us that Berlin and Paris are much closer to Moscow than Washington and who, at the same time, pointed out that in the area of support and exchange, as far as our common interests are concerned, there is a Paris-Berlin-Warsaw-Moscow axis. This applies to the promotion of investment and to economic exchange.

Together with an adviser of President Putin, I organized a meeting in Paris with some of the largest European and French companies. Among them were Électricité de France which invests around 6.000 million euros abroad every year; Vinci, one of the world's biggest players in the information and communications technology sector; the Suez and Vivendi group of companies which has a total turnover of 60.000 million euros; Total Fina Elf, and Eureco, the biggest insurance investor in the eastern countries. All of these companies agreed that Russia needs some sort of state agency to support long-term investment. A particular vision of economic liberalism, which exists only in the theories of those who have never been active in the economy, has contributed to the abolition of all social and state regulation in the economic sector.

In the development of our countries - and here I am thinking of France and Italy, for example, which have a somewhat centralized culture - we also had this sort of state agency in order to promote long-term investment. In France, the Caisse des Dépôts, which manages more than one billion euro's worth of assets, is subject to parliamentary control, and Italy has the IRI. The German federal states have their regional banks and in Spain, local banks fulfil this role in economic development. When people say that the big French companies do not want to invest in Russia, then I can only reply that all of these companies, which are among the biggest investors in the world, are prepared to invest if we can work together to put such an instrument for investment in place there.

I would add that such a body would have two further advantages. This development bank, as we might call it, would also make it possible to use all of Russia's external assets not for short-term gains but for measures which would benefit the Russian economy in the long term; and the Académie Européenne is willing to make its know-how available free of charge.

Secondly, this agency would have an interest in promoting a monitored liberalization, but no mafia-style systems, in order to bring all of the assets which still remain to be privatized, onto the market at their right price. I hope that such an instrument for investment will be put in place over the coming months and that the Russians will be able to see that there is a consensus among the economic experts who have promoted development in their own countries in this field. These are people such as former commissioners of French planning authorities, former presidents of IRI in Italy, representatives of the large European companies and representatives of liberal and centrist political forces such as, for example, the European People's Party in the European Parliament, who are in favour of this sort of instrument. I hope that we will receive an answer on this from the Russian side, be it positive or negative.

My third point is on defence. The Americans have just begun a comprehensive programme for a new generation of aircraft. As adviser to a French military aircraft builder, I regard it as absolutely essential for Europe to have the same modern technology at its disposal if it wants to maintain its independence of choice. I believe that we should initiate a similar programme as a joint project. Obviously, that does not exclude cooperation with the United States but it would place Europe in a position to hold a dialogue with the Americans on equal terms.

I would like to conclude on a more philosophical note. When the Holy Father speaks of a Europe with two lungs, then that does not refer solely to the two traditions, Orthodox and Catholic, which are both parts of the same European body. It means that we must build a Europe in which the Eastern and the

Western lungs are both equally functional. Russia may not belong to the European institutions but in fact, its history and its geography make it an equal member of European society and culture. I believe that Russia could be an important federator for the Europe which is to come.

Smolar

A few footnotes on the very impressive report of Mr Ryzhkov. First, I totally agree with Mr Khudolei and Mr Belov that the major problem in the relation between the European Union and Russia is not a problem of documents of summits, of negotiations. It is a problem of a dramatic disequilibrium between Russia and the EU and a problem of the adaptation of legal structures.

There is a community of interest in Central Europe, in Russia and in the Ukraine concerning frontiers. We are very much interested in not introducing a big frontier - a new frontier of EU - between us. And we are very worried about the consequences of the Schengen Agreement reinforced possibly by the consequences of September 11th. Certainly we should do everything possible to avoid humiliating normal people who want to come for business or study or as tourists to the European Union and who are faced with the stupid situation described by Sergei Karaganov and by some others. This is a problem of flexibility of the Schengen system. At least we have to increase the number of offices that issue visas and also the types of visa. Let us hope that on this issue the European Union will develop some inventiveness and flexibility. Especially, as it was stressed, since it does not work against gangsters but only against ordinary people.

We are also very much in favour, of course, of developing our economic relations, but we have lost big parts of the Russian markets. This is not a problem of frontiers to the European Union. For example, in 1998 we lost a lot as a consequence of the August financial crisis in Russia. In comparison with other European countries we are much weaker and we could not subsidize our exports to Russia. We also lost the agricultural market because exports from the European Union are heavily subsidized. So, the problem is not in our entering into the EU but how to encourage development of economic relations. For development to happen Russia must define its policy towards central Europe.

It is quite interesting that there was some talk about the Northern Dimension. But you are talking about central Europe only in terms of markets. Alexander Rahr mentioned that the leading Russian politicians are not visiting central European countries. That shows a lack of interest, and this is a political problem. Russia has its own policy towards so-called "near abroad". Russia has its own policy towards Western countries although both fluctuate at times. But it did not develop till now its policy towards central Europe. Moscow certainly will define its policy the moment we are not only in NATO but also in the European Union. But this might be a little bit late. Central Europe is a relatively big market. The exchange between Poland and Germany is bigger than between Russia and Germany. For Russia central Europe is a traditional market, but Russia is also a traditional market for central Europe. So we are happy that, after eight years, we will be visited by the President of Russia, Mr Putin, for the first time next January. This I think, is very good news.

Medish

My two themes are on the EU and on US-isolationism, which was a topic before.

First on the EU. I was tremendously impressed by Vladimir Ryzhkov's forceful presentation on the importance of the Russia/EU relationship. It reinforces the question I tried to ask yesterday about our strategic opportunity. I asked of the West: Are we prepared to accept "Yes" for an answer? That will be the question of the coming decade. The EU Russia relationship is an extremely important opportunity and we should remember that things have moved much more quickly in the past five or ten years than anybody expected. So I believe the Russian membership in the EU is not a fantastical illusion in the next five or ten years.

My friend Uffe Ellemann-Jensen says: Be impatient, and I say that both to the EU and to Russia: Be impatient about each other and be impatient about yourselves. Americans are usually impatient. This is a chance for a Marshall Plan, as Mr Schaffhauser said. This is the opportunity, indeed. Do not look back. It may have taken a long time to integrate Spain and Portugal and Greece. It may be taking too long to integrate Turkey. Do not miss this opportunity with eastern Europe and even the former Soviet Union!

From a US point of view, the EU bureaucracy has been far too tepid and far too slow in its relations with the East. Just as Russia has been ambivalent about the West. But there is a difference. The EU is large, it is powerful and strong, and it is in a position to take initiatives where Russia is not necessarily in a position to do so. It is understandable that the EU has been tepid, it is in the midst of two historic

processes of incredible significance. On the one hand deepening the EU itself through the EMU process; on the other hand accession and enlargement on an unprecedented scale. The problem is that the difficulties with the former process "deepening" are creating impediments to the speed of the latter process "enlargement".

I do agree with what other speakers have said. The Russia-EU relationship is more important than the Russia-NATO relationship. NATO is useful. It used to be an essential organization, now it is merely useful. The EU-Russian relationship, I believe, will be indispensable in the future.

My second point is US-isolationism/unilateralism. Questions were raised about psychology in the United States. Mr Steinel asked very clearly: How long will the shock last? Will America really be roused from its sleep and its isolationism? Here, I want to be careful because generally if one listens to critics of America, America is always wrong. It is either isolationist, unilateralist or imperialist. No matter what we do, we cannot get it right. So the categories may not be terribly useful. It is because of America's preponderant military, economic and financial power. We always do more than activists want us to do, and we always do more than multilateralists want us to do. We can't help it.

I understand, we need to do a better job. "How" is as important as "what". We need to learn: How to do it better. We need to find the balance. We need to avoid euphoric episodes of engagement followed by escapism. We need patient activism, willing to take the initiative, but also ready to consult and ready to act multilaterally.

This is why many reasonable people in the United States and perhaps in Europe and in Russia, were worried about early signs from the Bush Administration, which seemed to have three clear aims in the early months. First, consolidation on security matters. Second, unilateralism in foreign policy generally, whether on security issues or on economic issues. And third, a "laissez-faire" economic policy. Part of it was purely political as a reflection of the Bush Administration's criticism of the Clinton Administration for having been too promiscuous in foreign policy. According to the Bush camp, Clinton never saw a problem, he did not want to try to solve. If Clinton was promiscuous, Bush would be chaste.

Nevertheless, I think, the 11th of September, tragedy though it was, and disaster though it was, has awakened America. This is the beginning of a dialectical process. The Bush Administration is in its very early phase. It has started, dominated by the three characteristics I mentioned before - and that thinking is evolving, and this is a good thing.

Let me make one point here to echo what Mr Smolar said earlier. That is: Do not confuse a necessary war with needed internationalism and globalization. There is a risk in our country, as in all of yours, of remilitarization of foreign policy thinking. It would be a real tragedy for us if the meaning of September 11th is that we move from the primacy of political economy which was the main theme of the 1990's, back to the primacy of security. Back to the primacy of the world of Thomas Hobbes, the pessimistic English philosopher.

This brings me to a footnote. Mr Kovalev has reminded me that the last time I was in this room it was with the then prime minister Vladimir Putin and the G 7 working group on organized crime, hosted here in Moscow in November of 1999. It is good to see that our cooperation on this theme is only deepening. But Mr Kovalev said one thing about the problem in central Asia and Afghanistan that was not quite right from the American perspective. He said that a large part of our drug problem comes from central Asia. In fact it doesn't. The main US drug flows come from Latin America and from east Asia. We had a long debate within our Administration asking: should we really worry about central Asia and Afghanistan from the standpoint of anti-narcotics because actually those drugs do not reach our markets. Now we see how shortsighted it was not to care and not to worry.

My final point has to do with something that Janusz Onyszkiewicz said about the definitions of aggression and attack under NATO Article 5. Here I have to disagree with him in a sense. I think vagueness has its virtues. You do not want to overdefine the category. This may be because I come from a common law tradition, not a civil law tradition. There is a famous judge on our Supreme Court, who was asked: What is pornography? And he said: I can't define it, but I know it when I see it. That is an important point. Janusz said, it is difficult to define because they used a plane to hit the World Trade Center, a civilian target. Therefore, isn't it good that they also hit the Pentagon, he suggested? That completely misses the point. He forgets that civilian targets are also military targets. So, if a missile had hit the World Trade Center that would clearly have been an act of war and if an airplane is used as a missile to hit a civilian target that is also clearly an act of war. I know it when I see it. I hope the people around this table see it as well.

Sidirov

I would like to present just a few observations from our experience of practical cooperation with the European Union in the area of multilateral diplomacy.

I regard the dialogue with the European Union as absolutely essential. It must not, however, simply have the goal of allowing us to synchronize watches, but as far as possible, it must also enable us to coordinate our positions on the path to that goal. Mr Ryzhkov expressed that clearly and convincingly. And it is not just a matter of coordinating positions with the European Union but with a much wider circle of states because, as a rule, when the European Union speaks on the international stage, it is not speaking only on its own behalf and that of its member states, it is also speaking on behalf of a large group of candidates for membership. That means that the boundaries involved in the coordination of positions are much wider than the boundaries of the European Union.

In our day-to-day work with the EU, we diplomats also perceive an impetus which originates at the highest level. Naturally, in practice we also experience the difficulties in our work with the European Union, which are particularly apparent in negotiations dealing with operational agreement on concrete documents. Now and then, one gets the impression that Brussels diplomacy works slower than that in Moscow. On some points, however, there is no sense in bilateral discussions with EU member states. I am thinking of Chechnya, for example. In the UN Human Rights Commission, for instance, it is pointless discussing matters with members at a bilateral level because they all quote the positions agreed in the EU and refer back to Brussels.

On other important questions, however, we must not conduct the dialogue with the European Union, but bilaterally, with the individual states. I would cite nuclear disarmament and strategic stability as an example. Up to now, there have been no united moves in the European Union on these questions. There is a great diversity of stances on this, ranging from Ireland which, together with seven other members of the Antinuclear Coalition, supports radical nuclear disarmament, to England and France, which are nuclear powers. Consequently, there is little value in talking with the European Union about strategic stability. For this reason, I would appeal against overloading the agenda for the dialogue with the European Union and against wanting to turn it into an agenda for the UN General Assembly. In addition, practical experience has shown that the country which holds the Presidency of the EU at any given time, has considerable opportunity to exert influence on the European Union's position.

Adam

Let me add a few footnotes to the topic of setting up a European Security and Defence Policy (ESDP). Mr Karaganov spoke of a ghost phenomenon in this context. We should not forget that in the 1950's the European Community was set up as an economic union. The inclusion of core political issues did not get under way until about ten years ago. For 40 years, it was an unwritten law that uniforms were out of place on EU committees. That has now changed.

If I think back to the German EU Presidency in 1999, then it seems almost a miracle that we have now come so far. We all know the difficulties involved in bringing 15 states with quite different military traditions under a single institutional roof and then expecting them to undertake joint actions out of area. And it is certainly substantially more difficult to define an out of area scenario than to set up a classical defence position. To put it bluntly Article 5 of the NATO Treaty makes no sense in the context of ESDP.

On the other hand, I am convinced that for all its difficulties the ESDP project will be successful. A simple comparison of the numbers makes this evident. Taken together, the 15 EU states have more soldiers in service than the United States or Russia. The European military budget is about 70 percent of Washington's, although the fighting power we have achieved is at best 15 percent of what the US armed forces can do. The reasons are to be found in antiquated structures and in largely outdated equipment and in training that is in no way appropriate for the new challenges we face.

At present I can hardly imagine a deployment scenario where the European Union can act on its own. The Europeans depend at least on political support from Russia, and numerous rounds of expert talks have also clearly shown that military support on the part of Russia is important for such action.

Yet it is also clear that ESDP will gradually bring the European Union and NATO closer together. Planning for the armed forces will largely still be handled by NATO. Without recourse to NATO resources, deployment planning is not possible. The deputy commanding officer of NATO has a seat on the EU Military Committee, and he also bears military responsibility for possible operations by the European Union. In other words, if relations between the EU and Russia in the field of security and defence policy were to be intensified, then likewise, and this emerged clearly at the last EU-Russia

summit, relations to NATO must be intensified. For this reason, I am somewhat disappointed by the very negative response by Sergei Karaganov to Tony Blair's recent suggestion of a possible Russian membership of NATO. Because, for all the difficulties in the details that such a step presents, we should not ignore the goodwill in Blair's move. Because on the European side there is the growing realization that the permanent NATO-Russia Council is ineffective and new solutions are needed - including institutional changes - to intensify relations in this sector. If we reach agreement on this point then we are certainly moving in the right direction.

Karaganow

I hope that you are right, Mr Adam, and that I am wrong. However, I and many of my friends protested against the signing of the Basic Charter and, in particular, against the creation of a Permanent Russia-NATO Council because we believed that this path led up a blind alley. And we were right. I hope that we are wrong this time. In any event, Blair's proposal reminds us strongly of a similar proposal from 1997, except that the new version is much wider. Nevertheless, I regard it as another blind alley.

Weizsäcker

First of all, I would especially like to thank Mr Ryzhkov for his contributions to our discussions. I believe that the precision and the substance of his approach as well as his impatient vitality have provided us with some important insights.

With regard to the development of a common European economic area, Mr Steinel's comments from the standpoint of the EU clearly illustrated how great the degree of agreement between the two positions already is. We should not forget that the creation of a common economic area is no simple matter and that it requires a great deal of time. It took the Europeans a whole decade. Much patience will be needed and without that patience, there will be no success.

On the question of political union, I can only emphasize Mr Adam's comments. The European Union set itself this goal before the corresponding practical circumstances existed in reality. Monetary union and the introduction of the euro could now mean that a situation has come about which, in the long term, might force Europe to push on with political union.

Throughout the whole of the nineties, foreign and security policy was far more a matter of national concern than one of integration. However, 1999 saw a great step forward with the decision to provide the European Security and Defence Policy with the necessary substance during the next few years. This is not - as is repeatedly and wrongly maintained - directed against NATO. Instead, it is precisely what is required for the continuation of NATO which must develop from being a purely defensive alliance into a security alliance - a collective security alliance, if you so wish.

The events of 11th September meant that this albeit slow but generally positive development in the EU in the direction of a European Security and Defence Policy, has undergone a twofold interruption. First, in response to the legitimate request by the United States, we had to react quickly and this was clearly also in our own interest. Mr Solana did not have the resources needed to respond rapidly. It was thus inevitable that the request was then addressed to the individual nation states. We should not, however, conclude from this that the Europeans are fundamentally opposed to a common approach when it comes to military matters. I believe that assessment is wrong. I am firmly convinced that we will make definite progress on the development of a common European policy.

The other interruption prompted by September 11th took place on the Russian side, and we all felt the Russian response was positive. The fact that as a result Russia has returned to serious talks with the Americans is definitely in our European interest. And we Germans find it easier to make progress with Russia if Russian-American relations are favourable. This also applies, incidentally, to Russian-Polish relations. The better such relations are, the easier it is for Germany to cooperate more closely with Russia.

Now this does not mean that the key structural issues have been solved once the impact of September 11th has more or less been overcome. This brings me back to the question of US unilateralism. I believe that it is an objective observation and not a lack of friendship if in particular the Europeans up to September 10th perceived America as so powerful that it could assert its interests wherever it felt they were important - whether we others liked it or not. Now that I call unilateral behavior.

This was demonstrated in the way the Americans treated the United Nations. It was no different under Clinton than during the first nine months of the Bush administration. I remember a situation in the US Senate when I had the task of presenting proposals for the reform on the UN and in the course of the

subsequent discussion expressed the wish that the Americans decide whether they wanted to be a member of the UN or not. Now things may look a little different. Yet I believe Mr Steinel is justified in asking whether this unilateralism has really been overcome.

In the transition from a pure defence alliance to a security alliance the European Security and Defence Policy will undoubtedly play a major role. For its part, Russia has a vital interest in gaining partnership in the global economy, in closer cooperation with the European Union, and as regards security policy the Russians have a vital interest in reasonable relations with NATO. We Europeans have a vital interest in both NATO and the ESDP. Now, in the long term I could well imagine Russia joining NATO, but I can far less foresee it becoming a member of the European Union without this impairing relations between the EU and America.

I would agree with Mr Adam to the extent that Tony Blair aired his proposals with a view to initiating a more open discussion on what Russia's appropriate place in NATO could be. In other words: How much NATO does Russia want? And to what extent would NATO's structures have to be changed if Russia actually joined the alliance? Or, to put it the other way round: How much Russia can NATO take on? There is no easy answer to the question. I believe the very fact that we can talk openly today about all these vital questions of mutual security that affect us is a sign of great progress. I can understand that in Russia people are skeptical of Tony Blair's proposal, as Mr Karaganov made clear.

My conclusion is that the European Security and Defence Policy as well as the common European economic area are expressions of a great European success story, even if progress is sometimes painfully slow. This is why it is good that the Russian side, as in this discussion, is occasionally impatient and calls for speedier progress. This is the real value of the Bergedorfer Gespräche - they give us the opportunity to debate controversial questions openly and critically. I, for one, know of no other institution that facilitates anything similar.

I would like to express my thanks and respect to Mr Karaganov for chairing the discussions constructively with a combination of resoluteness and tolerance which we all have benefited from. For my part, I look confidently forward to future meetings here in Moscow or elsewhere. And then we will see whether Mr Ryzhkov's impatience has been rewarded by appropriate action.

Karaganov

Many thanks, Mr von Weizsäcker. I would like to thank you and our friends from the Bergedorf Round Table for coming to Moscow and bringing so many interesting participants with you.

I would also like to thank the Administration Section of the Council for Foreign and Defence Policy, and especially Mrs Tatyana Viktorovna Borisova, the Director General and Head of the Administration Section, without whom it would certainly not have been possible for the Russian organizers to gather so many Members of the Council and other Russian experts here.