

# COUNCIL *on* FOREIGN RELATIONS

58 East 68th Street, New York, New York 10065  
tel 212.434.9400 fax 212.434.9800 www.cfr.org

*The Stephen M. Kellen Term Member Program*

## Fourteenth Annual Term Member Conference 2009

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### MORNING BREAKOUT SESSIONS

Friday, November 20, 2009

10:30 to 11:45 AM Roundtable Discussion

#### *Will There Ever Be Peace in the Middle East?*

Discussant: **Elliott Abrams**, Senior Fellow for Middle Eastern Studies, Council on Foreign Relations  
Facilitator:

#### Questions:

1. Do the Israelis and Palestinians want the two-state solution as much as we do?
2. Is “detering Iran” tomorrow's policy or today’s nonsense?

#### Readings:

1. <http://www.washingtonpost.com/wp-dyn/content/article/2009/06/22/AR2009062202962.html?hpid=sec-world>
2. <http://www.washingtonpost.com/wp-dyn/content/article/2009/09/07/AR2009090702067.html>
3. <http://online.wsj.com/article/SB10001424052970204619004574320532174317294.html>
4. <http://www.foreignpolicyi.org/node/12521>

#### *Preparing to Fight and Operate in Uncertain Environments*

Discussants: **David W. Allvin**, Military Fellow, U.S. Air Force; **Eustaquio Castro-Mendoza**, Military Fellow, U.S. Navy; **John R. Parker**, Military Fellow, U.S. Marine Corps; **Bjarne M. Iverson**, Military Fellow, U.S. Army

Facilitator: **Mark V. Vlasic**, Senior Fellow, Georgetown University

#### Questions:

1. Do you think “hybrid” wars involving conventional forces and elements of guerrilla warfare will be the norm rather than the exception? If so, how is your service preparing for such an environment. If not, why not?

#### *U.S. Air Force:*

What are the stresses involved in recruiting for a more technologically-proficient workforce while competitions/debates in congress focus on obtaining more conventional hardware? What are the stratifications within the service between the different warfare capabilities and how are they being rectified? What is the ‘end goal/result’ for the Air Force transition?

#### *U.S. Army:*

What is the long-term plan for the Army – what is the vision post-Afghanistan? As the ongoing conflicts draw deeper into reserves/national guard, what is the position towards future conflicts and the constitution of the Army?

### *U.S. Navy:*

While the Navy oscillates between modularization and conventional warfighting, how does intelligence contribute to and guide the direction of force? Given the equal priority the Navy places on war-prevention as war-fighting, how do we expect the disposition of forces to change given the constant realignment and consolidation of forward bases and growing antagonism towards U.S. presence in other countries?

### *U.S. Marine Corps:*

Given the prevalent use of Special Forces in Afghanistan and Pakistan, is the prevalent use of special forces alongside conventional forces the ongoing trend in conflicts? If so, how is SOCOM shifting to improve coordination between special and conventional forces? How has the length and breadth of counter-insurgency in Iraq and Afghanistan changed the composition/priorities of special forces? If this is not the trend, what “normalcy” will SOCOM return to?

### Readings:

1. Forward, Intro, Chapter 1: <http://usacac.army.mil/cac2/repository/FM307/FM3-07.pdf>
2. Intro, Chapter 1, Chapter 4: <http://www.usgcoin.org/library/doctrine/COIN-FM3-24.pdf>
3. <http://www.marines.mil/units/hqmc/cmc/Documents/MCVS2025%2030%20June.pdf>
4. <http://www.navy.mil/maritime/MaritimeStrategy.pdf>
5. <http://www.af.mil/shared/media/document/AFD-091001-013.pdf>
6. <http://www.af.mil/information/speeches/speech.asp?id=503>

### ***Imagining the Next Global Economic Shock***

Discussant: **Roger M. Kubarych**, Henry Kaufman Adjunct Senior Fellow for International Economics and Finance, Council on Foreign Relations

Facilitator: **Leslee N. Cowen**, Managing Director, Partner, Fortress Investment Group LLC

### Questions:

1. Will the next crisis originate in an economic shock or another financial meltdown?
2. Or is the most serious problem bad economic policies by governments -- protectionism, inflationary monetary policy, budget deficits at the national or state & local level?
3. Have the major governments learned anything from the worst financial crash since the 1930s and one of the worst recessions since? If so, what?
4. Then why have they been so slow in taking remedial actions?

### Readings:

1. [http://www.huffingtonpost.com/william-k-black/how-the-servant-became-a\\_b\\_318010.html](http://www.huffingtonpost.com/william-k-black/how-the-servant-became-a_b_318010.html)
2. [http://staringatstrangers.typepad.com/staring\\_at\\_strangers/2008/10/the-financial-1.html](http://staringatstrangers.typepad.com/staring_at_strangers/2008/10/the-financial-1.html)
3. <http://www.tnr.com/blog/the-stash/did-smart-people-destroy-wall-street>

### ***The Future of U.S.-Pakistan Relations***

Discussant: **Daniel Markey**, Senior Fellow for India, Pakistan, and South Asia, Council on Foreign Relations

Facilitator: **David Shuman**, Managing Partner, Northwoods Capital

### Questions:

1. Should Washington take a more proactive approach to improving India-Pakistan relations? If so, how?
2. What role should the United States play in Pakistan's partisan political competition?
3. How can U.S. economic assistance programs in Pakistan be implemented more effectively?
4. How should the United States balance its efforts between Afghanistan and Pakistan?

### Readings:

1. [http://www.acus.org/files/publication\\_pdfs/65/PakistanReport.pdf](http://www.acus.org/files/publication_pdfs/65/PakistanReport.pdf)
2. <http://www.nationalinterest.org/Article.aspx?id=21644>

3. <http://www.weeklystandard.com/Content/Public/Articles/000/000/016/917tldv.asp>
4. [http://www.whitehouse.gov/assets/documents/Afghanistan-Pakistan\\_White\\_Paper.pdf](http://www.whitehouse.gov/assets/documents/Afghanistan-Pakistan_White_Paper.pdf)
5. [http://www.twq.com/09april/docs/09apr\\_Fair.pdf](http://www.twq.com/09april/docs/09apr_Fair.pdf)

### ***Medvedev v. Putin: What It Means For Us***

Discussant: **Stephen Sestanovich**, George F. Kennan Senior Fellow for Russian and Eurasian Studies, Council on Foreign Relations

Facilitator: **Nancy W. Collins**, Research Director, The European Institute, Columbia University

#### Questions:

1. Are Medvedev and Putin really at odds? What do they disagree about?
2. What are Russia's foreign policy choices? Can it avoid coming into conflict with China?
3. Can Medvedev implement his modernization program? What stands in his way?

#### Readings:

1. Please see article below. "Forward, Russia!" by President of the Russian Federation Dmitri Medvedev
2. <http://www.foreignaffairs.com/articles/65498/dmitri-trenin/russia-reborn>

### ***Current Issues in Latin America***

Discussant: **Julia E. Sweig**, Nelson and David Rockefeller Senior Fellow and Director for Latin American Studies, Council on Foreign Relations

Facilitator: **Tanisha Tingle-Smith**, Consultant, United Nations Development Programme

#### Questions:

1. What should Obama's diplomatic priorities be in Latin America? How much political capital should Obama spend to achieve these goals?
2. What are the material and political advantages of maintaining a trade embargo against Cuba?

#### Readings:

1. [http://www.cfr.org/publication/18675/hemispheric\\_divide.html](http://www.cfr.org/publication/18675/hemispheric_divide.html)
2. [http://www.cigaraficionado.com/Cigar/CA\\_Archives/CA\\_Show\\_Article/0,2322,2194,00.html](http://www.cigaraficionado.com/Cigar/CA_Archives/CA_Show_Article/0,2322,2194,00.html)

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## **AFTERNOON BREAKOUT SESSIONS**

Friday, November 20, 2009

2:30 to 3:45 PM Roundtable Discussion

### ***Obama Administration Detention Policies: How Much Change?***

Discussant: **John B. Bellinger III**, Adjunct Senior Fellow for International and National Security Law, Council on Foreign Relations

Facilitator: **Moira Whelan**, Director of Strategic Communications, U.S. Department of Homeland Security

#### Questions:

1. The Obama Administration has, so far, retained a number of the Bush Administration's controversial detention policies, such as indefinite detention without trial under the law of war, military commission trials, and renditions. Are these policies necessary or are they likely to change?
2. If not, how should the Administration deal with allies and others who disagree with these policies?

#### Readings:

1. [http://www.nytimes.com/2009/02/22/washington/22bagram.html?\\_r=1&sq=bagram&st=cse&scp=2&pagewanted=print](http://www.nytimes.com/2009/02/22/washington/22bagram.html?_r=1&sq=bagram&st=cse&scp=2&pagewanted=print)
2. [http://www.nytimes.com/2009/03/14/us/politics/14gitmo.html?\\_r=1&hp](http://www.nytimes.com/2009/03/14/us/politics/14gitmo.html?_r=1&hp)
3. <http://www.washingtonpost.com/wp-dyn/content/article/2009/03/13/AR2009031302371.html>
4. [http://www.nytimes.com/2009/08/25/us/politics/25rendition.html?\\_r=1&pagewanted=print](http://www.nytimes.com/2009/08/25/us/politics/25rendition.html?_r=1&pagewanted=print)
5. <http://www.nytimes.com/2009/09/13/world/asia/13detain.html>

6. <http://www.nytimes.com/2009/09/24/us/politics/24detain.html?scp=1&sq=administration%20won%27t%20see%20new%20detention%20system&st=cse>
7. <http://www.washingtonpost.com/wp-dyn/content/article/2009/09/28/AR2009092802492.html>
8. <http://www.washingtonpost.com/wp-dyn/content/article/2009/10/14/AR2009101403266.html>

### ***Kenya and Zimbabwe: Failed Elections and Power Sharing***

Discussant: **John Campbell**, Ralph Bunche Senior Fellow for Africa Policy Studies, Council on Foreign Relations

Facilitator: **Edmund J. Malesky**, Assistant Professor, University of California, San Diego

#### Questions:

1. Are power-sharing arrangements a way incumbents can stay in power even if they have lost the election?
2. Why do Western governments, NGOs, and international organizations like power-sharing arrangements?
3. Are power sharing arrangements in Kenya and Zimbabwe likely to last?

#### Readings:

1. <http://www.crisisgroup.org/home/index.cfm?id=5316>
2. <http://www.crisisgroup.org/home/index.cfm?id=6064&l=1>

### ***What's Next For India?***

Discussant: **Evan A. Feigenbaum**, Senior Fellow for East, Central, and South Asia, Council on Foreign Relations

Facilitator: **Wendy R. Anderson**, Professional Staff, U.S. Senate Committee on Homeland Security and Governmental Affairs

#### Questions:

1. Is India a major power? Does it have global reach and vision?
2. What are the domestic obstacles to economic reform and liberalization in India, and what does this mean for India's global influence?
3. After the civil nuclear agreement, what is the next big thing in U.S.-India relations?

#### Readings:

1. <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=24058>
2. [http://www.cfr.org/publication/19852/clintons\\_challenge\\_in\\_india.html?breadcrumb=%2Fbios%2F5263%2Fevan\\_a\\_feigenbaum](http://www.cfr.org/publication/19852/clintons_challenge_in_india.html?breadcrumb=%2Fbios%2F5263%2Fevan_a_feigenbaum)

### ***Can International Cooperation Reduce the Risk of Financial Crisis?***

Discussant: **Mark Levinson**, Senior Fellow for International Business, Council on Foreign Relations

Facilitator: **Christine H. Bader**, Advisor, Harvard University

#### Questions:

1. Why did decades of international collaboration to improve the stability of the financial system fail so badly in 2007-2008?
2. Do we need a new multilateral agreement on financial regulation?
3. Will the pending U.S. Legislation improve matters?

#### Readings:

1. <http://www.federalreserve.gov/newsevents/testimony/tarullo20090930a.htm>
2. <http://www.ft.com/cms/s/0/723612ce-1d42-11de-9eb3-00144feabdc0.html>
3. [http://www2.johnkay.com/papers/JK\\_NarrowBanking.pdf](http://www2.johnkay.com/papers/JK_NarrowBanking.pdf)

## ***China's Soft Power in the Developing World and its Implications for U.S. Policy***

Discussant: **Joshua Kurlantzick**, Fellow for Southeast Asia, Council on Foreign Relations

Facilitator:

### Questions:

1. What are the tools of China's soft power? How, if at all, do they differ from the US tools? How does this impact policy?
2. Do the goals and aims of China's growing influence in the developing world actually conflict with American interests and policy-making?
3. Can China become a responsible, status quo power in the global community? Previous rising powers that emerged in the 20th century failed at this.

### Readings:

1. [http://www.asiasentinel.com/index.php?option=com\\_content&task=view&id=507&Itemid=34](http://www.asiasentinel.com/index.php?option=com_content&task=view&id=507&Itemid=34)
2. <http://www.fas.org/sgp/crs/row/RL34310.pdf>

## ***Politicizing Intelligence: The Inherent Dangers and the Need for the Intelligence Community to Stay Above the Fray***

Discussant: **Nicole Lewis**, National Intelligence Fellow, Council on Foreign Relations

Facilitator: **Helima L. Croft**, Senior Strategist, Barclays Capital

### Questions:

1. What is the definition of politicizing intelligence? What kind of debate is appropriate and even necessary with respect to past Intelligence Community (IC) actions?
2. What are the dangers of turning the IC into a political football? How does the debate affect relationships between the US IC and its foreign partners?
3. How is the debate affecting the morale of the IC and the IC's ability to pursue its mission?

### Readings:

1. <http://www.nytimes.com/2009/08/25/us/politics/25detain.html>
2. <http://abcnews.go.com/Politics/Story?id=7586530&page=1>
3. <http://www.foxnews.com/politics/2009/09/18/raw-data-letter-cia-directors-president-obama/>
4. <http://www.timesonline.co.uk/tol/news/uk/article6877401.ece>

## **READINGS WITHOUT WEB LINKS**

### ***Medvedev v. Putin: What It Means For Us***

Gazeta.ru

September 10, 2009

Article by President of the Russian Federation Dmitriy Medvedev: "Forward, Russia!"

Esteemed fellow citizens! Dear friends! I wrote the article that is being published today in order to convey to every one of you, to all citizens of Russia, my idea of the strategic tasks that we have to tackle. Of our country's present and future. And to invite everyone who has something to say to participate in a discussion on these matters. Your opinions, observations, and proposals will be taken into account in preparing the Message of the President of Russia to the Federal Assembly. The practical plans for the development of our state. The e-mail address is: [kremlin@gov.ru](mailto:kremlin@gov.ru).

In a few months' time Russia will enter a new decade of the new century. Of course, boundaries in time and round-number dates are of more symbolic than practical significance. But they give us a pretext for pondering the past. For assessing the present. And for thinking about the future. About what lies ahead for each of us. For our children, for our country.

First let us answer a simple but very serious question to ourselves. Should we continue to drag into our future a primitive raw-materials-based economy, chronic corruption, and the inveterate habit of relying, in resolving problems, on the state, on abroad, on some "omnipotent doctrine," on whatever or whomever you like, only not on ourselves? And does Russia, weighed down with such burdens, have a tomorrow as such?

Next year we will celebrate the 65th anniversary of victory in the Great Patriotic War. This jubilee will remind us that, for the heroes who won our freedom, our time was the future. And that the people who conquered a cruel and very strong enemy in those distant days should, indeed must, conquer corruption and backwardness today. And make our country a modern and well-organized one.

We, the present generations of the Russian people, have received a great legacy. Earned, fought for, and worked for by the staunch efforts of our predecessors. Sometimes at the cost of terrible trials and truly dreadful sacrifices. We possess a huge territory, colossal natural wealth, substantial industrial potential, an impressive list of brilliant achievements in the sphere of science, technology, education, and art, the glorious history of the Army and Navy, and nuclear weapons. The prestige of a state that has played a significant and, in certain periods, decisive role in events on a historical scale.

How will we handle this legacy? How will we augment it? What will Russia be like for my son, for the children and grandchildren of my fellow citizens? What will be its place, which means the place of our descendents, our heirs, the future generations of citizens of Russia, among the other nations -- in the world division of labor, in the system of international relations, in world culture? What must be done so that the quality of life of citizens of Russia both today and in the future rises steadily? So that our society becomes richer, freer, more humane, more attractive? So that it is capable of giving everyone who so desires a better education, an interesting job, a good income, a comfortable environment for personal life and creative activity?

I have answers to these questions. And before formulating them I would like to give an assessment of the present state of affairs.

The world economic crisis has shown that our affairs are by no means in the best possible state. Twenty years of turbulent changes have not delivered our country from humiliating raw-materials dependence. Our present-day economy has inherited the worst defects of the Soviet economy -- it ignores, to a significant extent, human needs. Russian business, with few exceptions, does not invent, does not create the things and technologies that people want. It trades in what it did not make -- raw materials or imported goods. The finished goods that are produced in Russia are still, for the most part, notable for their extremely low competitiveness.

Hence the great fall, compared with other economies, in production during the present crisis. And the excessive fluctuations of the stock market. All of this proves that we have by no means done everything necessary in the preceding years. And we have by no means done everything right.

The energy-efficiency and labor productivity of the majority of our enterprises are shamefully low. But that is only half the trouble. The trouble is that this, apparently, does not greatly worry the owners, the directors, the chief engineers and officials.

As a consequence, at the level of global economic processes Russia's influence, let us be frank, is not as great as we would wish. Of course, in the era of globalization any country's influence cannot be absolute. That would actually be harmful. But our country's potential should be considerable, appropriate to Russia's historical role.

Democratic institutions have, on the whole, been formed and stabilized, but their quality is very far from ideal. The civil society is weak and the level of self-organization and self-government is low.

With every year, there are fewer of us.

Alcoholism, smoking, road traffic accidents, the insufficient availability of many medical technologies, and environmental problems are shortening the lives of millions of people. And the growth in the birth rate that has begun is not yet compensating for the population decline.

We have managed to gather the country together and halt the centrifugal trends. But there are still a great many problems. Including some that are very acute. The terrorist attacks on Russia continue. The inhabitants of the republics of the North Caucasus simply know no peace. The military, agents of the law enforcement agencies, state and municipal employees, and civilians are being killed. Of course, these crimes are committed with the support of international bandit groups. But let us acknowledge: The situation would not be so acute if the socioeconomic development of southern Russia was truly productive.

So, an inefficient economy, a semi-Soviet social sphere, an immature democracy, negative demographic trends, an unstable Caucasus. These are very big problems even for such a state as Russia.

Of course, we should not lay it on too thick. Much is being done. Russia is working.

It is no longer the semi-paralyzed semi-state that it was only 10 years ago. All the social systems are functioning. Only that is not enough. After all, they are only reproducing the current model, not developing it. They are not changing the established way of life. Pernicious habits persist.

It is not possible to achieve leadership by relying on oil and gas market forces. It is necessary to comprehend and to sense the full complexity of our problems. To discuss them openly, in order to act. Ultimately it should not be the raw materials markets that determine Russia's fate, but our own idea of ourselves, of our history and our future. Our intellect, sober self-assessment, our strength, the sense of our own dignity, enterprise.

In naming five priorities of technological development and proposing specific areas for the modernization of the political system and measures for strengthening the judiciary and countering corruption, I am proceeding from my own ideas about the future of Russia. And for the sake of that future I consider it necessary to liberate our country from the neglected social ills that fetter its creative energy and retard our common progress. I number among these ills:

1. The age-old economic backwardness, the habit of existing on raw materials exports, in effect exchanging these for finished products. Elements of an innovation-led system were created, and not without success, by Peter the Great, by the last czars, and by the Bolsheviks. But the price of these successes was too high. They were achieved, as a rule, by an exceptional intensity of effort, at the limits of the potential of the totalitarian state machine.
2. The age-old corruption that has drained Russia from time immemorial. And which to this day eats away at it because of the excessive presence of the state in any remotely important sphere of economic or other social activity. But it is not only a question of the excess of state. Business is also not without sin. Many entrepreneurs are concerned not with seeking talented inventors, not with introducing unique technologies, not with developing new products and bringing them to the market, but with bribing officials in order to obtain "control over the flows" of redistribution of property.
3. The paternalistic sentiments that are widespread in society. The belief that all problems should be dealt with by the state. Or by somebody else, only not by each person in his place. The desire to "make oneself," to achieve personal successes step by step, is not our national habit. Hence the lack of initiative, the shortage of new ideas, the unresolved issues, and the poor quality of the public debate and even of critical comments. Public consent and support are usually expressed in silence. Objections are very frequently emotional, scathing, but at the same time superficial and irresponsible. Well, Russia has been familiar with these phenomena too for hundreds of years.

One sometimes hears it said that it is impossible completely to cure chronic social diseases.

That traditions are invincible, while history has the characteristic of repeating itself. But at one time serfdom and universal illiteracy appeared insuperable. Yet they were overcome.

As for traditions -- their influence is considerable, of course. But nonetheless, as they become incorporated into each new era, they undergo changes. Some of them simply disappear. And not all of them are useful. For me, traditions are only the indisputable values that must be protected. That means interethnic and interfaith peace, military valor, fidelity to duty, hospitality and kindness, those characteristics of our people. As for bribe-taking, theft, mental and spiritual laziness, drunkenness -- these are vices that insult our traditions. We should get rid of them in the most resolute way.

And of course modern-day Russia is not repeating its own past. Our time is really new. And not only because it runs forward, like any time. But also because it is opening up enormous opportunities before our country and before each one of us. Opportunities that were out of the question 20 or 30 years ago, not to say 100 or 300 years ago.

The impressive results of the two greatest modernizations in the country's history -- Peter the Great's (imperial) and the Soviet one -- were paid for with the ruin, humiliation, and annihilation of millions of our compatriots. It is not for us to judge our ancestors. But it must be admitted that the preservation of human life was not, to put it mildly, a priority for the state during those years. Unfortunately, that is a fact. Today for the first time in our history we have an opportunity to prove to ourselves and to the whole world that Russia can develop along the democratic path. That the country's transition to the next, higher level of civilization is possible. And that it will be carried out by nonviolent methods. Not by coercion but by conviction. Not by suppressing but by uncovering the creative potential of each individual. Not by intimidation but by interest. Not by counterposing but by bringing together the interests of the individual, society, and the state.

We are indeed living in a unique time. We have an opportunity to build a new, free, prosperous, strong Russia. And I, as president, have a duty to do everything in my power to ensure that we use that opportunity to the full.

In the coming decades Russia must become a country whose prosperity is ensured not so much by raw materials as by intellectual resources: a "smart" economy creating unique knowledge, the export of the latest technologies and products of innovation-led activity.

I recently defined the five strategic vectors of the economic modernization of our country.

First, we will become one of the leading countries in terms of the efficiency of production, transportation, and use of energy. We will develop new types of fuel and bring them to the domestic and foreign markets. Second, we will preserve nuclear technologies and raise them to a new level of quality. Third, Russian specialists will improve information technologies and secure a major influence on the processes of development of global, universally accessible information networks, using supercomputers and other elements of the necessary material base. Fourth, we will possess our own ground and space infrastructure for the transmission of all types of information; our satellites will "see" the whole world and help our citizens and people of all countries to communicate, travel, and engage in scientific research and agricultural and industrial production. Fifth, Russia will occupy leading positions in the production of particular types of medical equipment, ultramodern diagnostic systems, and medications for the treatment of viral, cardiovascular, oncological, and neurological diseases.

While following these five strategies for leadership in the high-tech sphere, we will also devote constant attention to the development of the most significant traditional sectors. First and foremost, the agro-industrial complex. One in every three of us lives in the countryside. The availability of modern social services to rural inhabitants, the growth of their income, and the improvement of the conditions for their work and life will always be a priority for us.

And it goes without saying that Russia will be well armed. Sufficiently so that it does not enter anyone's head to threaten us or our allies.

These aims are realistic. The tasks set in order to achieve them are difficult but feasible. Detailed, step-by-step plans for moving forward in these areas are already being formulated. We will encourage and incentivize scientific and technical creativity. First and foremost we will support young scientists and inventors. Secondary and higher education will train a sufficient number of specialists for the industries of the future. Scientific institutions will concentrate their main efforts on the realization of breakthrough projects. The legislators will adopt all the decisions to ensure comprehensive support for the spirit of innovation in all spheres of public life and the creation of a market in ideas, inventions, discoveries, and new technologies. State and private companies will receive all-around support in all initiatives for the creation of demand for the products of innovation-led activity. Foreign companies and scientific organizations will be offered the most favorable conditions for building research and design centers in Russia. We will invite the best scientists and engineers from various countries of the world to work here. And, most important, we will explain to our young people that the most important competitive advantage is knowledge that others do not have, intellectual superiority, the ability to create things that people want. As A.S. Pushkin wrote: "There is a supreme boldness-- boldness of invention, of creation, where a far-reaching plan is surrounded by creative thought." The inventor, the innovator, the scientist, the teacher, the entrepreneurs introducing new technologies will become the most respected people in society. They will receive from it everything they need for fruitful activity.

Of course the innovation-led economy will not spring up immediately. It is part of a culture based on humanist values. On the desire to transform the world for the sake of a better quality of life, for the sake of freeing man from poverty, disease, fear, injustice. Talented people who long for renewal, who are capable of creating the new and the better, are not going to fly to our country from another planet. They are already here, among us. And unequivocal evidence of this is provided by the results of international intellectual Olympiads, the patenting abroad of inventions made in Russia, and the real head-hunt conducted by the major companies and universities of the world for our best specialists. We -- the state, the society, the family -- must learn to find, raise, cultivate, and protect such people.

I consider technological development to be a priority public and state task also because scientific and technical progress is inextricably linked with the progress of political systems. It is thought that democracy sprang up in Ancient Greece, but in those days democracy did not exist for everyone. Freedom was the privilege of the minority. Proper democracy, which established universal suffrage and enshrined in law the equality of all citizens before the law, democracy for all, sprang up relatively recently, some 80-100 years ago. Democracy became mass democracy when the production of essential goods and services became mass production. When the level of technological development of Western civilization made it possible to have universal access to elementary welfare, to the systems of education, medical services, and information exchange. Each new invention that improves the quality of life provides an additional degree of freedom for man. It makes the conditions of his existence more comfortable and social relations more just. The "smarter," the more intellectual and efficient our economy is, the higher will be the level of well-being of our citizens. The more free, more just, and more humane our political system will be. And society as a whole.

The dissemination of modern information technologies, which we will promote in every way, offers unprecedented opportunities for the realization of such fundamental political freedoms as freedom of speech and assembly. For the exposure and elimination of seats of corruption. For direct access to the scene of practically any event. For the direct exchange of opinions and knowledge by people throughout the world.

Society is becoming more open and transparent than ever. Even if this displeases the ruling class.

The Russian political system will also be extremely open, flexible, and internally complex. It will be appropriate to a dynamic, mobile, transparent, and multidimensional social structure. And match the political ethos of free, prosperous, critical-minded, and self-confident people.

As in the majority of democratic states, the leaders in the political struggle will be parliamentary parties that periodically replace each other in power. Parties and coalitions thereof will form the federal and regional

organs of executive power (not the other way around) and nominate candidates for the post of head of state and regional and local government leaders. They will have long experience of civilized political competition. And of responsible and meaningful interaction with voters, of interparty cooperation, and of seeking compromise options for solutions to the most acute social problems. They will unite in a political whole sections of society and citizens of all nationalities, the most diverse groups of people, and Russian lands endowed with extensive powers.

The political system will be updated and improved in the course of free competition among open political associations. While preserving interparty consensus on strategic issues of foreign policy, social stability, national security, the fundamentals of the constitutional system, the protection of the nation's sovereignty and citizens' rights and freedoms, the protection of property rights, the rejection of extremism, and support for structures of civil society and all forms of self-organization and self-government. Such a consensus exists in all modern democracies.

This year we have started to move toward the creation of such a political system. Political parties have received additional opportunities to influence the shaping of the executive in Federation components and municipalities. The formal requirements relating to a number of issues of party building have been relaxed. The conditions for nominating candidates for election to the State Duma have been eased. Guarantees of equal access to state media for parliamentary parties have been established by law. A number of other measures have also been adopted.

The pace of our movement in this direction does not suit everybody. People talk about the need for expedited change to the political system. And sometimes even about needing to return to the "democratic" 90s. But a return to a paralyzed state is inadmissible.

So I wish to disappoint the supporters of permanent revolution. We are not going to rush. During our history haste and recklessness in the matter of political reforms have repeatedly led to tragic consequences. They have brought Russia to the brink of disintegration. We have no right to put social stability at risk and imperil our citizens' security for the sake of some abstract theories. We have no right to sacrifice a stable life to even the loftiest objectives. Confucius once said: "Impatience in small things destroys great ambitions." We have felt this in the past. Reforms for people, not people for reforms. At the same time I am not going to please those who are totally suited by the status quo. Those who fear and do not want change. There will be change. Admittedly it will be gradual, considered, and phased. But inexorable and consistent.

Russian democracy will not mechanically copy foreign models. Civil society will not be bought in exchange for foreign grants. Political culture will not be converted into the mere imitation of leading societies' political customs. An effective judicial system cannot be imported. Freedom cannot be copied from a book, even if it is a very smart book. We will unconditionally and definitely learn from other peoples. We will borrow their experience and take account of their successes and miscalculations in developing democratic institutions. But nobody will live our lives for us. Nobody will become free, successful, and responsible for us. Only our own experience of building democracy will entitle us to assert: We are free, we are responsible, we are successful.

Democracy needs protection. As our citizens' fundamental rights and freedoms need protection. Protection primarily from corruption, which spawns arbitrariness, lack of freedom, and injustice. We have only just embarked on shaping such a protective mechanism. Its central element must be the courts. We need to create modern effective courts that operate in accordance with new legislation relating to the judicial system and are based on a modern interpretation of the law. We also need to do away with contempt for the law and the courts, which, as I have repeatedly had occasion to say, has become a sad "tradition" of ours. But in shaping the new judiciary it is inadmissible for there to be lurches and a short-lived campaign approach, and likewise for there to be muttering that the system itself is rotten and it is simpler to recruit a new corps of judges and law-enforcement officials than to change them. We have no "new" judges, as we have no "new" prosecutors, police officers, special service staffers, officials, businessmen, and so forth. It is necessary to create normal working conditions for the current corps of law-enforcement officials, resolutely ridding ourselves of the crooks. It is necessary to teach law-enforcement officers to protect and defend rights and freedoms. While fairly, efficiently, and effectively resolving conflicts in the legal field. It is necessary to eliminate unlawful influence on court rulings, no matter what considerations may dictate them. At the end of the day the judicial

system itself is capable of working out what is in the interests of the state and what reflects the selfish interests of a corrupt bureaucrat or businessman. It is necessary to instil a taste for legal culture, obedience to the law, and respect for the rights of others, including such an important right as ownership. It is precisely the courts, with broad public support, that are called upon to cleanse the country of corruption. This is a difficult task. But feasible. After all, it has worked out for other countries.

We will do everything possible to normalize the life of people in the Russian Caucasus. The economic and humanitarian programs for the south of the country will be reviewed and concretized in the very near future. Separate and very precise criteria will be developed for the performance of the leaders of state structures responsible for the problems of the Caucasus. This applies primarily to federal and regional ministries and departments responsible for the quality of policy in the sphere of industrial production, finance, social development, education, and culture. At the same time law enforcement agencies will continue to suppress bandit groups seeking through intimidation and terror to impose their mad ideas and barbaric ways on the population of some Caucasus republics.

The negative demographic trends need to be slowed down and halted. Improvements to the quality of medical services, stimulation of the birth rate, safety on the roads and at work, combating the pandemic of alcoholism, and developing physical fitness and mass sports must become state tasks that are both strategic and addressed on a daily basis.

Irrespective of what area is affected by reforms, their objective is ultimately to improve the quality of life in Russia.

To create the conditions for providing citizens with housing, jobs, and medical assistance. Concern for pensioners, child protection, and support for people with limited possibilities is the direct duty of authorities at every level.

Speeches by Russian politicians often mention the fact that, in accordance with our Constitution, Russia is a social state. This is indeed the case, but it should also not be forgotten that a modern social state is not a bloated Soviet social security office and not a special distributor of benefits raining down from the skies. It is a complex, balanced system of economic incentives and social guarantees and legal, ethical, and behavioral norms whose productiveness is dependent to a decisive extent on the quality of the work and level of training of each one of us.

A society can distribute through the state only what it earns. It is immoral, stupid, and dangerous to live beyond one's means. It is necessary to boost the economy in order to earn more. Not just to receive things merely because oil has risen in price at a certain point in time, but specifically to earn.

We are going to improve the effectiveness of the social sphere in all areas, devoting increased attention to the task of material and medical provision for veterans and pensioners.

The modernization of Russian democracy and the shaping of a new economy, in my opinion, are possible only if we take advantage of the intellectual resources of post-industrial society. Without any complexes, openly and pragmatically. The question of harmonizing relations with Western democracies is not a question of taste or the personal preferences of certain political groups. Our internal financial and technological opportunities today are insufficient to secure a real upsurge in the quality of life.

We need the money and technology of European, American, and Asian countries. And these countries, for their part, need Russia's possibilities.

We have a very great interest in the rapprochement and mutual penetration of our cultures and economies.

Of course, there is no such thing as relations without contradictions. There will always be disputed subjects and reasons for disagreement. But oversensitivity, arrogance, complexes, mistrust, and especially hostility should be excluded on a reciprocal basis from Russia's relations with the leading democratic countries.

We have many common tasks, including some that are definitely priorities and relate to literally every inhabitant of the Earth, like the nonproliferation of nuclear weapons and the reduction of the risk of unfavorable man-made climate change.

We need to be able to engage our partners' interest and involve them in joint activity. And if this requires us to change some things in ourselves and to abandon prejudices and illusions-- that should also be done. We are not talking about a policy of unilateral concessions, of course. Lack of will and incompetence cannot produce either respect, or gratitude, or benefits. We have already seen this in our recent history. Naive notions about the infallible and happy West and eternally underdeveloped Russia are unacceptable, insulting, and dangerous. But a path of confrontation, self-isolation, and mutual recriminations and complaints is equally dangerous.

It is not nostalgia that must determine our foreign policy, but the strategic long-term objectives of the modernization of Russia. In the process Russia, remaining one of the leading economies, a nuclear power, and a permanent member of the UN Security Council, must talk openly and directly about its standpoint and defend it in all forums. Not appease and adapt. But resolutely defend its own interests in the event of a threat to them. I already had occasion to talk about such principles of our foreign policy in August last year.

In addition to active work in a Western direction we need to deepen cooperation with the Eurasian Economic Community, the Collective Security Treaty Organization, and the CIS. These are our closest, strategic partners. We share with them the common tasks of modernizing our economies, safeguarding regional security, and building a fairer world order. We must also develop worldwide cooperation with our partners through the Shanghai Cooperation Organization and BRIC (Brazil, Russia, India, China).

Like every great people, the Russian people have a history that is vivid and heroic and demands respect and admiration but at the same time is contradictory, complex, and ambivalent.

Different people and different countries see us differently. And a great deal still needs to be done to protect our historical legacy from distortion and political speculation. We need to look soberly at our past. To see in it the magnificent victories, the tragic mistakes, the examples for emulation, and the manifestation of the best features of the national character alike.

In any event, we will be solicitous toward our history and will respect it. Respecting primarily our country's role in supporting a balanced world order throughout many centuries. At every stage of its development Russia has always sought to achieve a fairer world order.

There have been many occasions when specifically Russia has proved to be the protector of small peoples who have encountered the threat of enslavement or even annihilation. That was also the case very recently, when the Saakashvili regime carried out a criminal attack on South Ossetia. There have been many occasions when we have wrecked the adventurous plans of those seeking world domination. Russia has twice been in the vanguard of great coalitions: The one that halted Napoleon in the 19th century and the one that smashed the Nazis in the 20th century. In both wartime and peacetime, if a just cause has required decisive action, our people have come to help. Russia has always been a loyal ally in war and an honest partner in economic and diplomatic affairs.

In the future Russia will be an active and respected participant in the worldwide community of free nations. Sufficiently strong to exert a significant influence on the formulation of decisions having global consequences. And to prevent any unilateral actions that might damage national interests and have a negative impact on our internal affairs. That might reduce Russians' income level or harm their security. To this end we are already striving together with other countries at this time to reform supranational political and economic institutions. The objective of such modernization is to develop international relations and take account of the interests of the largest possible number of peoples and countries. To establish rules for cooperation and conflict resolution that would be based on modern concepts of equality and justice.

Such are my views on our country's historical role and its future. The answers that I offer to questions affecting each one of us.

I invite all who share my convictions to cooperate. I also invite those who disagree with me but sincerely want change for the better to cooperate.

Attempts will be made to obstruct our work. By influential groups of corrupt officials and "entrepreneurs" who do nothing in the way of enterprise. They are well settled. They "have it all." They are happy with everything. They intend to the end of time to squeeze revenues out of the remnants of Soviet industry and sell off natural riches that belong to all of us. They create nothing new, do not want development, and are afraid of it. But the future does not belong to them. It belongs to us. People like us are the absolute majority. We will act. With patience, pragmatism, consistency, and deliberation. We are going to act right now. To act tomorrow and the day after. We will overcome the crisis, backwardness, and corruption. We will create a new Russia. Forward, Russia!

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