



# NICOLAS SARKOZY

## President of the French Republic

Your Excellencies Heads of State and Government,

Dear Dmitry,

Dear Thierry de Montbrial,

In choosing "Where is the world going?" as a central theme of this conference, its organizers could not have been more to the point. Indeed, there is the feeling, today, of a world without a compass or prominent points of reference.

After several decades during which the world was divided into two camps, the unipolar organization of the world, predicted by many, was unable to withstand a proliferation of crises, the development of global challenges and the rise of new powers. We are facing a radically new situation, one that is opening the way to an age of "relative powers" and is thus generating instability. No actor, powerful as it may be, can now, alone, resolve crises, confront challenges or even rally the world to its single vision of things.

I said three weeks ago, at the United Nations General Assembly, that instability and disorder would grow if we did not adapt the international institutions born of an order that has now passed to twenty-first century realities. This new multipolarity will give rise to a new balance, i.e. will be a factor of peace and prosperity, only if we succeed together in placing it in a new multilateral framework. For France, this means enlarging the UN Security Council and opening the G8 to the great emerging powers. This is the twenty-first century yet we have the international organizations of the twentieth century. What's astonishing is that they are working as well as they are, despite this. But it is time to change our organization.

The unprecedented financial storm that has been buffeting the world for more than a year, and which has come to a head in the last few weeks, confirms the terms of this analysis to the point of caricature: the financial crisis born in the United States has spread throughout the world, as a consequence of globalization. No country, not even those with the most natural resources and currency reserves, is immune from its repercussions, although some are resisting better than others. Only the coordinated action of central banks and governments will make it possible to curb the systemic risk and ensure the financing of economies, because there can be no isolated response to global challenges. France and the European Presidency are striving for this comprehensive, coordinated response, and in the hours to come, it will be concretized. By revealing the scope of the abuses of a financial capitalism left to its own devices and the exorbitant cost to the community as a whole, the crisis has demonstrated the urgency of defining a new regulatory framework that will prevent future abuses and will re-focus the financial system on its true function, which is to finance the economy. That is the objective of the enlarged G8 Summit that I proposed holding by the end of the year. I would like to thank Dmitry Medvedev for understanding this initiative, which Russia is ready to join. I would like to say to the Russian President that, for me, the G8 is a minimum.

Ladies and gentlemen, I will not expound at greater length on France's vision to build new international governance. I have already set it out, and the presence, today, of President Medvedev of Russia and my status as President of the European Council offer me the opportunity to focus my remarks on a subject that I see as fundamental: the future of relations between Russia and the European Union.

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Let's be open about this, and President Medvedev and I know each other well enough to speak frankly: the relationship between Russia and the EU has just been very sorely tested. From that I can conclude that the EU and Russia must not become estranged, eliciting fears of a new division of Europe, even reviving the spectre of a "new Cold War." A new Cold War would be a mistake of historic proportions.



For several years now, Russia has been back. Growth has returned, leading to new wealth; the State's authority is back; Russia's influence on the international scene is back. It is in the world's interest, and in that of Europe, more than anyone else, for Russia to be prosperous, stable and engaged in world affairs. It is in our interest. Europe wants a strong Russia. The history of European construction, when you think about it, has taught us that a happy neighbour is a good neighbour. But the vigour of this return has elicited surprise and sometimes concern. At home, the ways in which the State's authority has been restored have raised questions. Abroad, its rhetoric of force and a series of disputes or bilateral tiffs with several EU member States have raised the fear that Russia may consider confrontation as one way among others to defend its views and promote its interests.

This judgment, of course, must be nuanced. It has been my role, as President of Europe, to do this. First, because there are still significant areas of cooperation between Europe and Russia: with respect to international terrorism, we are standing together to avoid the return of a regime allied with al-Qaida in Afghanistan; we are standing together against maritime piracy, we are standing together against the proliferation of weapons of mass destruction. That's obviously the case on the Iranian nuclear issue, as proven by the recent adoption of the Security Council resolution that confirmed that we stand united in our rejection of a nuclear-armed Iran. And finally, because we must give Russia its due for the considerable progress it has made in less than a generation, following seven decades of totalitarian darkness, while our European countries in some cases needed several centuries. We should also note that the Russian people appreciate the restoration of the State and the return of growth. Finally, we must recognize – and honesty is not evidence of weakness – that Russia may have felt neglected by Western countries that no longer saw it as an equal partner, to the point that Russia may have believed that only a relationship of force would ensure that it was respected.

The Georgian crisis drove a new wedge – a deep one – in the trust between Europe and Russia. I trust President Medvedev enough for us to be able to speak frankly, and I appreciated this ability to engage in dialogue at a time when there were few who accepted dialogue. I thought the Russian army's reaction was disproportionate to the Georgian military intervention. I say it as I see it. There was a Georgian military intervention, which was a mistake. But the Russian army's reaction was disproportionate. I also don't believe that Moscow's unilateral recognition of self-proclaimed South Ossetian and Abkhazian independence is acceptable. In Europe and elsewhere, questions and fears about Russia's real objectives – notably vis-à-vis its neighbours – and on the methods it deems legitimate to achieve them, gave rise to this crisis of trust.

Should it continue to take hold, this malaise between Europe and Russia would have grave consequences for both the stability and prosperity of the entire European continent and for the global balance. I want to tell you, because I believe it deeply, that Europe's destiny and that of Russia are connected. They are connected by geography; it's rare for a country to change its address. They are connected by history. They are connected by culture – yes, by culture. They are connected by the growing interdependence of our economies. Between Europe and Russia, the complementarities are obvious: the Russian market is in full expansion. It is Europe's third largest export market. To successfully modernize and diversify its economy, Russia must rely on Europe, which is its leading trading partner and foreign investor: 80% of investments in Russia come from the EU, and 80% of Russian investments abroad are made in the EU. In 2007, Europe invested 10 times more in Russia than another one of its neighbours – China – did! Europe buys a third of its energy from Russia, and Russia sends 60% of its gas and oil exports to Europe. Europe therefore needs Russia to guarantee the security of its supply, and Russia needs Europe to ensure the security of its export markets. Thus, reason demands that Europe and Russia be strategic partners. We are neighbours, we have a strategic interest in working together.

Essential to one another, Europe and Russia are also two essential actors in the new multipolar world. Russia has recovered spectacularly from the traumas of the 1990s. Russia is once again a power, a power that is listened to, that has both the means and the will to impact world affairs. For its part, the EU, already the leading economic and commercial grouping, is stepping up its efforts to acquire the stable institutions and military means that will allow it to fully play the role of a global actor that its assets destine it to be. The global balance of the international system and our ability to confront the world's major problems thus depend upon the nature of the relations that will be established between Russia and Europe. We saw this during the Georgian conflict, it was EU mediation which enabled the cessation of hostilities and opened the way to a negotiated process to end a crisis whose consequences transcended



the Caucasus region. The partnership between Europe and Russia offers the world an opportunity, an opportunity for stability, prosperity and peace.

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Between us, then, we must rebuild trust, the prerequisite for reviving an ambitious European-Russian partnership. How do we do this?

First, by resolving the Georgia crisis.

With the deployment of European monitors alongside those of the OSCE and the UN, and the withdrawal of Russian troops from the areas adjacent to South Ossetia and Abkhazia, as we agreed at the end of long negotiations, Europe and Russia will have kept their word and fulfilled the first part of their contract. The crisis began on 8 August; this is 8 October. Two months. Now, I'm aware of the sermonizers who thought this wasn't clear enough or fast enough. You're familiar with the proverb, "quand je m'ausculte, je m'inquiète, quand je me compare, je me rassure" ["when I listen to my own heartbeat, I worry; when I compare myself to others, I am reassured"]. It was essential to keep the crisis of trust from deteriorating and to show that the dialogue between Europe and Russia produces results, and so today's announcement is crucial. Now, on the ground, the parties must refrain from any provocation and respect the work of the international monitors. The same determination to find just and lasting solutions in accordance with international principles must reign in the international discussions scheduled to begin a few kilometres from here, in Geneva, on 15 October. That will be, I think, one of the subjects we shall be discussing at lunch.

To heal the malaise that has set in and to re-establish trust between Europe and Russia in the long term, both of us must also show, through our words and through our actions, the same will to listen, to have a partnership, to engage in dialogue. The EU made clear gestures in this regard during the Georgia crisis. I bet on dialogue with Moscow at a time when it was not the obvious choice, and many, in Europe and elsewhere, were urging the adoption of sanctions. Well, I don't regret opting for trust and dialogue. The EU placed its relationship with Russia "under observation", but it chose dialogue, and the full implementation of the agreements of 12 August and 8 September opens the way to the resumption of negotiations on a framework agreement that is ambitious both in its scope – the "four common spaces" (an economic "space", a common "space" of freedom, security and justice, a "space" of cooperation in the field of external security and a "space" of research and education including cultural aspects) defined during the St Petersburg summit – and the intensity of the cooperation involved.

Such an ambition, if shared, will lead to a real "common human and economic space" between Russia and the EU:

- in the area of energy, we have a partnership to create based on transparency, reciprocity, the rule of law and non-discrimination, and ambitious cooperation to promote energy efficiency and the development of new energies;
- in the area of investments, which should be welcomed on both sides within the framework of clear, stable and predictable rules;
- in the area of commerce, by establishing a strengthened, comprehensive free-trade agreement that would take its support from the result of Russia's accession to the WTO, which remains in Russia's interest and ours;
- in the financial area, given that the crisis we are experiencing and its repercussions on Europe and on Russia show that it is in both our interests to define rules and agree on practices with respect to regulation, accounting and oversight. Dmitry Medvedev has made proposals. There is nothing in these proposals that I find shocking or contrary to what I myself believe.
- between our peoples, by facilitating movement in accordance with visa agreements, whose ultimate objective would be an area of visa-free movement, and by increasing exchanges between our civil societies. What better way to promote better mutual understanding of the values to which we are attached – democracy and human rights? A common economic space between Russia and the EU – there's a vision worthy of this new century.

Europe hopes that Russia will not hesitate to make this strategic partnership choice, which cannot be limited to the individual relations that Russia maintains with each of our members. Remaining bilateral disputes must be resolved, for



the very basis of the EU is the solidarity of the nations that comprise it. Russia must embark on the negotiation of the framework agreement not only with a legitimate concern for defending its interests and the right for them to be taken into account, but also with the will to reassure and respond to the questions of European countries, many of which make sense. I am thinking in particular of energy, in which an age of suspicion must give way to an age of reciprocal security.

I heard President Medvedev present his ideas on a new security pact from Vancouver to Vladivostok. Well, I'd like to tell him that we are ready to discuss it, because security, in Europe and beyond, is a common good and thus another natural area for cooperation between Europe and Russia. This cooperation must be based first of all on certain achievements that are far from being negligible but which we can develop still further: on NATO, first of all, whose NATO-Russia Council, the symbol of the end of the Cold War, offers a framework for common strategic thinking, but also for concrete cooperation between our systems of defence; within the framework of the EU, in which Russia's military participation in Operation EUFOR in Chad could prefigure a true partnership, and we were happy to have our Russian friends alongside us in this difficult endeavour. We could make Russia a special ESDP interlocutor. In each of these organizations, France is prepared to work with Russia in greater depth.

But these dialogues and areas of cooperation clearly lack consistency. And that's where Dmitry Medvedev's proposal responds to a real need. So, why not re-examine from every angle all groups, institutions and countries concerned, everything concerning security on our continent? And since we're at the beginning of the century and you made this proposal, why not modernize together our thinking, reflexes and habits that date back to the Cold War? We could certainly do it within the framework of the OSCE, the only forum that brings together all actors in pan-European security on an equal footing. I propose that a special OSCE summit be convened for this purpose before the end of 2009 so that we could discuss your proposals and those of the EU on new pan-European defence concepts.

Of course this exercise presumes a willingness to compromise, Dmitry, as well as mutual understanding and mutual honesty; an effort to place our common security in a renewed framework based not only on our interests but also on our values. The tragic history of our continent teaches that there is no such thing as lasting security based solely on a balance of forces. A balance of forces is no guarantee of lasting security. Democracy is also needed. Human rights, a key component of stability, are also needed. I am not preaching to anyone. All of us have our weaknesses in our own countries. But this is the message of the EU. It is this message that I will take with me in our dialogue with Russia on the issue of security.

A pan-European security framework would thus include security arrangements, notably with respect to conventional weapons, but also the reaffirmation of those values and of those instruments and institutions that permit their expression and protection. This framework must also permit the peaceful resolution of disputes, because the Georgia crisis taught us that a supposedly frozen conflict can quickly degenerate into open war.

Finally, I say to Dmitry – but is it necessary to spell it out? – our American friends and allies must be involved in this dialogue that we are ready to enter into. I don't get my instructions from America, but America is our friend and ally. This relationship between Europe and the United States should not be feared. We are friends; we are allies. We have our own vision. We are not the agents of any power. But talks about security from Vladivostok to Vancouver also concern our allies. It concerns security on our continent, because our continent's security is based on a strong transatlantic link. I feel sufficiently independent to proclaim this link. Indeed, we in Europe have been happy to have had this link on at least two occasions.

Just as it depends on the nature of institutions and contours of alliances, Europe's security also depends on definitively renouncing the ambition to have "spheres of influence" and on respecting the territorial integrity and independence of each country. I say, here before the Serbian President, that recent history has not been easy for the Serbian nation, which I believe is a natural candidate to join the EU. Let us not forget: Russia's "near abroad" is often that of the EU as well. It is in fact our "common neighbourhood". It must be an area of cooperation, not of rivalries.

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Ladies and gentlemen,



The proliferation of crises and the rise of global challenges have highlighted the deregulation of the world at the same time as revealing the insufficiencies of the rules and international institutions inherited from another era. It is our responsibility today to invent nothing less than a new world governance. We must do so in order to preserve peace and prosperity for our people, and to prevent international relations from falling once again into a zero-sum game in which some must obligatorily lose in order for others to win. That kind of reasoning is insane.

The relationship between Europe and Russia has been tested in recent years. We must overcome this malaise, because between Russia and Europe, partnership is natural, it is necessary. It will be a major factor of balance. It will make a decisive contribution to the stability of the international order that we must build. Never during these recent weeks have I had any cause to regret my decision to opt for dialogue and trust with the President of the Russian Federation, Dmitry Medvedev, whom I am happy to see again here in Evian.

Thank you.