

VALDAI CLUB FOUNDATION RESEARCH GRANT PROGRAM

Aim

The program will support original research by Russian and international experts and provide them with the opportunity to apply their knowledge to public issues relevant to the emerging needs of present-day Russia.

The foundation will issue 10 grants related to the club's main areas of research.

The research should be completed within 3-9 months.

The expected outcome is an analytical report (at least 150,000 characters long), including:

- An analysis of the current situation or challenges facing Russia, either internally or in its role as a major player in the international system;
- An assessment of the challenges in professional, comparative, nonsectarian terms;
- Recommendations for practical, forward-looking scenarios and remedies based on a scientific approach.

During the research, laureates should publish three articles at least 22,000 characters long in major scientific magazines or books.

They should also prepare five comments/articles for the Valdai Club's website on the topic of their grant research or related themes.

The special grant program is prepared for young researchers up to 35 years old. However, there is no age restriction for the main program.

Timeline

The submission deadline for grant applications is Dec. 30. The results will be announced on Feb. 1, 2012.

Evaluation criteria

The main program grants are awarded to research groups consisting of at least one Russian and one foreign expert.

Applicants must hold at least a PhD degree or its equivalent, have peer-reviewed publications, chapters in books or monographs written on the grant topic.

A higher degree and publications in Russian and foreign journals is an advantage.

All applicants should speak and write fluent English. Knowledge of Russian by the foreign applicant is an advantage.

Submission and overview

An application for participation in the grant program should be sent in English to: valdai@valdaiclub.com

A detailed academic resume, project description of no more than 1,000 words and a substantiated draft budget of research expenses should be attached to the application.

Grants are awarded by the Foundation Board on the basis of the Valdai Club Advisory Board's application review.

Awards and accountability

The research grant is up to 600,000 rubles.

Awards are granted in 2012 as a lump sum.

Grantees must present a financial statement on the grant expenditures along with a final analytical report.

RESEARCH TOPICS

1. **Russia's nuclear industry and challenges of international market**

Relevance: Nuclear power generation had been recovering after a period of stagnation but recovery stalled after the disaster at the Fukushima 1 nuclear power plant, which raised serious questions about the industry's future. Germany's decision to abandon nuclear energy has highlighted the problem of diversifying power generation and the lack of affordable, cheap and clean alternatives to nuclear power. The peaceful atom is one of Russia's most technologically advanced and competitive industries, and the country is expanding cooperation in this area with foreign governments and leading companies while actively competing for markets.

The research should describe the common global trends in nuclear power generation: security of nuclear facilities, the problem of radioactive waste, and the search for alternatives to nuclear power. Review the Russian nuclear industry: the current state of Russian nuclear facilities, the outlook for the industry, and government strategy (how viable is the Energy Strategy of Russia for the period up to 2030). Analyze the opportunities for joint projects with the United States and other countries, technology exports, and Russian specialists' involvement in the construction of nuclear facilities abroad. Estimate competitive advantages of the Russian technologies and potential to increase its exports. Analyze how Russia's nuclear industry is

entering international markets: main competitors and top actors, compare their positions with Russia's position. State and capacity of the market. Summing up, offer a development forecast for the nuclear industry in Russia and the world covering the next six to eight years.

2. **Investment climate in Russia: Economy and Politics**

Relevance: Without the attraction of significant investments, it will be impossible to overcome production decline that is apparent across Russian industry and to complete the structural reforms of the economy. High investment activity is a vital prerequisite for development, but the inflow of private domestic and foreign capital is hindered by political risks, inflation, legislative gaps, Russia's underdeveloped infrastructure in manufacturing and more broadly – in society, and insufficient information support. The interconnectedness of these problems increases their negative impact on investment.

The research should describe the current investment climate in Russia. Why was investment inflow into Russia higher in the mid 2000s than it is now? Analyze foreign investment's priority industries? How is it different from Russia's national priorities? In what ways does investment inflow depend on the political situation in the country and how can this be reduced? Suggest ways of improving Russia's investment climate and attracting direct, long-term investment. Suggest a vector for Russia's foreign

economic policy: whose capital should it be oriented towards – Western, Chinese/Asian or Arab?

3. Russian capital abroad: An exit strategy or a new offensive?

Relevance: The influence of Russian capital on foreign economies has not been the subject of serious academic research, even though Russian entrepreneurs are actively investing in foreign companies. Instability of the world markets and unclear prospects for the developing and natural-resource-based export-oriented economies strengthen influx of assets to the more economically developed and stable countries. Russia views this phenomenon as asset withdrawal and capital flight. However, it also functions as leverage in attracting experience and technology to modernize the Russian economy.

The research should consider the following questions: Russian capital abroad – flight from Russia or targeted investment? How does the Russian state invest in foreign assets? What competitive advantages does Russian capital have over other investors? What are its preferred niches? Analyze Russian entrepreneurs' actions in the West, assess the problems that Russian businesses encounter abroad. Are foreign markets open for Russian investors, and how desirable is Russian investment in the West and in the East? Is exporting Russian capital rational? What opportunities exist abroad that Russia lacks? Asset withdrawal and its return – how can a state return

stolen property? What are the instruments for fight money laundering and offshore asset savings? What sectors in foreign economies offer the greatest advantages for Russia, and the Russian economy, and therefore are investment worthy? How does the involvement of Russian businesses in the global economy influence how the country is perceived?

4. Russia: Anti-crisis recipes

Relevance: The instability inherent in the existing financial and economic system, universal market volatility, the weakness of international financial institutions and the extent to which major players are interrelated combine to create local problems as a repercussion of a global financial collapse.

Some of the global financial system's biggest players are located in an unstable zone -- the unstable future of the euro, the weakening of the U.S. dollar, the overheating economy in China and the suffering economy in Japan in the aftermath of the disasters in spring 2011. International regulators have not learned their lessons from the 2008-2009 crisis. Economic growth is stimulated by bailouts injecting cash into the economy and printing money. Rising debt and toxic assets both signal that another market bubble may well be looming. Russia was badly hit by the 2008-2009 crisis. Thus, developing a well-founded national economic strategy that will allow it to break out of the existing paradigm is of paramount importance.

The research should cover the following issues: The most important problems facing the global financial and economic system after the 2008-2009 crisis. Identify the methods that Russia has applied to overcome the negative consequences of the crisis and compare them with trends in global practice. Assess the impact that the crisis had on Russia and explore the country's economic performance and its perspective. Forecast the global financial system's development in the next five or six years and suggest a likely timeframe for the next crisis.

Evaluate Russia's present monetary and reserve policies and its stability should another crisis strike, and analyze the stability of Russia's economy and financial system. Suggest measures that Russia can pursue and global steps that should be taken in conjunction with other players – for example, reforming the global financial system or changing the way that global economic institutions work.

Suggest specific financial and economic policy recommendations for restructuring the Russian economy and financial system. Discuss the potential limits on changes to monetary policy, including the most unpopular, but efficient steps. What can Russia realistically contribute to an international financial system?

5. Modernizing Governance – what the strong state means

Relevance: The consolidation of the power vertical in Russia prompts questions about the future development of regional government. The federal authorities do not always react to signals from the regions in a timely fashion. The center's regulatory powers often smother initiatives launched by local authorities (one example of this would be the handling of the forest fires in 2010). The imbalance between subsidized and non-subsidized regions raises the issue of territorial and regional priorities (the North Caucasus). President Dmitry Medvedev's proposal to decentralize power and to give more powers to local bodies of self-government is of particular relevance here.

The research should review the different levels of government in Russia, the distribution of powers between local authorities and the federal center, the distribution of tax revenue and how the budget is drawn up. Compare the different levels of legislation, the differing levels of regional autonomy and the role played by presidential plenipotentiaries. Analyze the efficacy and feasibility of President Medvedev's initiatives, and the need to deconstruct the power vertical. Put forward possible scenarios for Russia's governance development (main vectors being decentralization and a strengthened power vertical). Analyze the existing trends, discuss the scenarios and select one as more likely or desirable for Russia. Suggest how Russia's territorial division into different administrative areas could be reformed.

6. **Russian elite – 2020**

Relevance: The changing financial and economic paradigm and overhaul of the system of international relations requires that Russian leaders adopt a new approach, a new mentality. By 2020, Russia's policies will to a large extent be determined by a generation of people who may have been born in the Soviet Union in the 1980s but who grew up in the Russian Federation. The generation of Soviet leaders whose backgrounds were in Communist Party youth activism is gradually fading from the scene. The new financial elite that emerged in the 2000s may assume the role of captains of industry and charismatic managers focused on economic modernization.

The research should include a short pen portrait of the different generations of Russian elite. Present a social portrait of the Russian elite in 2020 – those who were born in the 1980s; who only spent a short period of his/her life in the Soviet era – or even one who has no memories of the Soviet era at all; who passed his/her formative years in the 1990s or 2000s – decades which were radically different from those that went before. Analyze his/her values, priorities in life, education and mentality. Predict the course he/she will choose for Russia and the potential impact on the country's policies.

7. **The future of warfare**

Relevance: The military paradigm is undergoing dramatic change, both in terms of the scale of combat operations, their direction and the technical or equipment support required. The development of unmanned aircraft (UAVs), satellite communications, and ever more powerful computers, aircraft and missiles have enabled developed countries to conduct wars or combat operations without deploying land forces. The possibility of a large-scale conventional conflict is virtually non-existent, while the majority of the challenges currently facing the military involve projecting military might in distant parts of the globe, and waging successful campaigns in those areas to suppress resistance and retain control over the territory.

The research should discuss current trends in combat development, forecast what kind of operations will be most relevant in the next 10 or 15 years: counter-guerrilla operations, conventional bombing raids or UAV bombing raids. Evaluate the most promising technologies that will go on to change how combat is conducted. Analyze the current state of R&D in Russia's defense industry. Consider the possibilities of projecting Russia's military power on different hot spots in the CIS and further afield. Will the Russian army be in a position to adequately respond to new threats in ten or fifteen years' time? Who will be a "potential enemy" in the future – non-governmental actors or the U.S., China or Europe? Present your vision of the Russian army in 2020 – its goals, size, structure, organization and equipment. What potential for force projection do other states have?

8. **Russia, China and the United States in Central Asia**

Relevance: The withdrawal of U.S. troops from Afghanistan risks leaving a power vacuum in the region. A number of different options have been proposed to normalize the situation, including the Blackwell plan. The Afghan government's inability to keep control over its territory creates the need for external assistance. Russia and the Shanghai Cooperation Organization (the possibility of giving Afghanistan observer status was discussed at the recent SCO summit in Astana) are in a position to provide this help. Russia fears the further destabilization of the region and increased drug trafficking. The United States is not interested in undertaking large-scale operations to fight drug production, a fact greeted with alarm in China and Russia. The rise of Islamic extremism in Tajikistan, Kazakhstan and Uzbekistan signals a direct threat to Russia's North Caucasus and raises the question of weapons being supplied to Central Asian extremists from Afghanistan.

The research should discuss: the current position of the Afghan government and the withdrawal plans of the United States and the ISAF. Assess Russia's current interests in the region and in Afghanistan, and the leverage it currently has in terms of influencing the situation. Analyze Chinese and U.S. interests in Central Asia (especially in former Soviet republics) and mechanisms to protect these interests – military bases, cooperation agreements, major American or Chinese financial and industrial groups. Outline Chinese grand strategy for Afghanistan and Central Asia.

Consider possible scenarios for post-withdrawal Afghanistan: the most pessimistic (chaos in Afghanistan and the fragmentation of Central Asia) and the most optimistic (the U.S. shares control and responsibility with Russia and China). Analyze the stances adopted by the Central Asian states and division between its elites on the foreign policy orientation. Suggest a plan for joint efforts to stabilize the situation, combat Islamic extremism and reduce drug trafficking.

9. **Russia and the new members of the EU**

Relevance: Russia's potential accession to the WTO and the creation of the Customs Union put it in a stronger position when it comes to expanding economic and political dialog with East European countries. The rapprochement with Poland after the spring 2010 tragedy has enabled Russia to strengthen its positions in one of the region's key countries. The EU's Eastern Partnership program speaks to Brussels' growing interest in the region. The Russia-NATO dialog on the ABM treaty and the Conventional Armed Forces in Europe Treaty (CFE) testifies to the growing contradictions in Europe's security system. In this context, the political interests of Russia and the EU may clash, despite the apparent lure of mutual economic benefit.

The research should give an overview of the current political and economic situation in Eastern Europe, with an emphasis on Poland, Ukraine, the Baltic States and the Balkans. Discuss the stances adopted by those key

players that are in a position to influence the situation in Eastern Europe, i.e. Russia, the EU and the United States. Detail the most important mechanisms and institutions of influence. Analyze the strategic interests of Russia and the EU in the region: guaranteeing uninterrupted hydrocarbon transit, safeguarding indivisibility of security in Europe, and economic projects. Analyze the steps that are necessary to protect these interests and suggest a draft Russian foreign policy strategy for the region. Assess what can Russia offer these countries in terms of security and expanded economic relations? Propose a Russian-European economic integration project that will help overcome the negative aspects of interaction in East Europe.

10. Eurasian Union: paving the Silk Road

Relevance: International relations are becoming increasingly chaotic, and the instability of global economic leaders is forcing world powers to search for reliable, long-term and strategic partners. This trend is apparent, among other things, in the expansion of regional integration processes, such as the consolidation of the European Union and the countries of eastern Asia and the Pacific Rim. Former Soviet republics are also stepping up their reintegration, creating alliances such as the Customs Union and the Common Economic Space, reforming the Collective Security Treaty Organization, and consolidating the Shanghai Cooperation Organization. The idea of Eurasian integration has been in the air for about a decade now. Kazakh President Nursultan Nazarbayev was one of the driving forces behind a project to

create an interstate union of Central Asian nations. The economic, political, cultural and historical ties between the countries of the former Soviet Union make Russia a natural leader in this process – a big player rallying allies around various regional projects.

Issues to be considered: The interests of Russia and other major regional players (the United States, the European Union, China, as well as India, Pakistan and Turkey) in such areas as the oil and gas industry, transit traffic and military infrastructure;

Overview of the current state of the region's largest countries, notably Kazakhstan, Uzbekistan and Kyrgyzstan (economic development, geopolitical affiliation, the status of national elites). Considering current integration projects identify the advantages and the downsides of the projects as compared with the Eurasian Union. What benefits will the creation of the Union bring to its member states?

Proposing a detailed program for the creation of the Eurasian Union: its mission, aims and goals, economics, political governance, integration of the member states' military forces. Who else could join the Eurasian Union and on what terms? How could the elites of post-Soviet nations be encouraged to join in? How should the union build relations with the U.S., Europe and China? Are these countries likely to oppose the very idea of such an alliance?

11. The Arctic: Avoiding a new Cold War

Relevance of the topic: The Arctic is a new "global resource stockpile" that contains vast reserves of hydrocarbons, rare earth metals and many other vital resources for the modern world. The Arctic's status is governed by the UN Convention on the Law of the Sea adopted in 1982, according to which no country has the right to establish sole control over the Arctic. However, countries with access to the Arctic Ocean may declare an area that stretches 200 miles from its coast as their exclusive economic zone. This zone can be extended for a further 150 nautical miles if the country can prove that the Arctic shelf is a continuation of its continental territory. Arctic countries are part of the fight for the opportunity to obtain resources in theory (defining the shelf's boundaries) and at the political level (safeguarding interests).

International organizations and expert discussions cannot completely reduce the tensions in the "Arctic issue." Chaotization of international relations and the involvement of new actors (China) in Arctic issues only increase mutual mistrust.

The research should give a rough estimate of: The Arctic's resource potential and its ability to save humanity from resource starvation. Consider Russia's and other Arctic countries' interests in the region. Assess the countries' positions in terms of international law. Analyze Arctic countries' potential to protect their interests in the region. Estimate the prospects of cooperation between Arctic countries in terms of regional development and the possibility of third party influence in the Arctic, and whether that influence will be positive or negative. Evaluate the possibility of a force

conflict in the Arctic ("cold" or "hot") and the preparedness of Arctic countries for such a conflict.

Prepare a package of recommendations for the development of Russia's Arctic policy -- legal, diplomatic and force measures, as well as economic levers, including investments in Russia's northern regions.

12. Energy diplomacy in Russia's foreign policy: New approaches

Relevance: The increasing dependence of leading economies in the world on a stable energy supply intensifies competition for hydrocarbon deposits. The instability of the global financial market and the world economy raise the problem of competitive energy prices for highly developed countries and energy suppliers.

Control over the flow of energy, and other resources, has been an important foreign policy instrument. An example of using this instrument was seen with the OPEC, which triggered the 1973-1974 global crisis. In contrast to coercive methods of influence on other states, the economic lever ensures lower conflict feasibility, although the struggle for pipelines and natural resource deposits can easily escalate to a full-scale war. Russia, as a large exporter of natural resources, has a very important lever of foreign policy -- control over transit both from Russia and between Europe and Asia.

The research should discuss: The geopolitical and economic framework of creating Russia's energy diplomacy. Analyze the dependence of foreign states

on Russian energy supplies and the situation in Europe and China. Consider Russia's usage of its pipelines to exert pressure on other countries.

Transit states: How to protect the donor and recipient from their actions, how should they interfere with the two sides, how can they be used by the both sides of the pipeline? Will the construction of bypass pipelines change the situation? Russia as a transit country for the Central Asian states.

Interests of the oil and gas industry and public interests: How are they intertwined? Can national interests be substituted by profits?

Energy as a connection: The influx of liquidity into the state budget creates preconditions for strengthening one's economy. Due to the deep integration of the global system, Russia can no longer be a "pariah" in the world arena.

YOUNG VALDAI

(Applicants younger than 35 y.o.)

13. Revolution 2.0: How the Internet entered politics

Relevance: The continued development of computer technology, including the Internet, modernizes the social, economic, information, communications spheres of human activity. The Internet is an open space unifying the planet, which is almost independent from state policy. The Internet is a platform for discussions and sharing opinions, integration and coordinating civil society.

At the same time, it creates threats to technical and information security. Crucial sectors (information and communications networks, power and

water supply, transportation, nuclear power generation) are becoming ever more vulnerable to attacks. Information is being leaked and published, from WikiLeaks to corporate client and Internet user data. In response to increasing cyber attacks globally, governments are forming organizations to fight cybercrime, such as the U.S. National Strategy to Secure Cyberspace.

The Internet's openness and accessibility to the general public make it a platform for information wars and propaganda.

International legislation is failing to keep up with the rapid pace of technological development and the emergence of new threats.

The research should consider: Internet-based security threats and analyze the activities of existing hacker groups. It should also address the possibility of state-ordered attacks and evaluate their consequences for world politics and the global economy.

Address the following questions. What problems are raised by the legal regulation of cyberspace? What approach should international action take to secure cyberspace? Will establishing government structures with oversight in this area help? Is controlling the internet possible, or even necessary? What should cyberspace be like? The question of freedom of speech on the Internet, and its limits, remains open.

Assess the impact that the Internet has on the political, social and economic aspects of international relations, such as soft power and the use of the Internet as a tool for soft power.

Discuss opportunities that the Internet gives to civil society – to analyze state-society relations on the Web. The Internet as a zone of communication free from state control. Information exchange and self-organization.

14. Global problems for a global government

Relevance: Global governance systems are outdated and the existing international organizations need to be reformed. Two different concepts of how global regulation should be organized have emerged: one involves setting up new institutions that correspond to global processes; the other envisages a comprehensive reform of the existing international institutions and investing them with broader powers. Russia's priorities include preserving its veto right in the UN Security Council and increasing its weight within other international regulators (the World Bank, the IMF, the OSCE, etc). Non-European countries, such as China and India, also back a review of the existing global governance system.

The research should discuss the following issues: Global governance in today's world: what is its role? Why are past models of global governance inefficient now? Global governance and national sovereignty. Protests against global governance.

New threats and challenges that require more active international cooperation within global governance. What institutions does it require? How should the existing institutions be reformed to improve their

efficiency? What new ideas can be proposed for reform of the global governance?

What states or groups of states (including Russia) can optimize their performance in the existing and future global governance systems? What countries can change their positions in new systems?