Number 2 August 1995

Baker Institute Report

Notes from the James A. Baker III Institute for Public Policy at Rice University

Preparations for the Inaugural Annual Conference

"Foreign Policy Challenges at the End of the Century" will feature dignitaries from U.S. and around the world.

On November 13 and 14, 1995, the Baker Institute will hold its inaugural Annual Conference at Rice University. This year's theme is "Foreign Policy Challenges at the End of the Century." The conference will feature three panels, one on economic reform in Russia and China, one on politico-military factors and the future of warfare, and a third panel on the role of cultural, ethnic, and religious factors in world affairs. During the conference the first Enron Prize for Public Service will be awarded.

Among the dignitaries who have already agreed to participate are: President George Bush who will open the conference, General Colin Powell, former Prime Minister Noboru Takeshita from Japan, and former Foreign Ministers Hans-Dietrich Genscher from Germany, Roland Dumas from France, Alexander Bessmertnykh from Russia, Taro Nakayama from Japan, and Uffe Ellemann-Jensen from Denmark. A number of distinguished scholars, administration officials, policy makers, and journalists have been invited to take part on the panels. Marvin Kalb, the noted television journalist from the John F. Kennedy School at Harvard, will be the conference moderator. James A. Baker, III, 61st Secretary of State, will give the conference's keynote address.

The conference is made possible through the generous support of the Coca-Cola Foundation.

Seminar on U.S.-Mexican Relations

On March 24 the Baker Institute cosponsored with the Institute for Advanced Study at Princeton a seminar for corporate executives from the United States and Mexico. The seminar was held at Rice University on U.S.-Mexican relations and the prospects for hemispheric trade. The session was moderated by James Wolfensohn, the President of the World Bank, and featured as principal speakers James A. Baker, III, 61st Secretary of State, and Dr. Luis Tellez, the Chief of Staff of the President of Mexico. This was the first high-level appearance in such a forum by a Mexican official since the recent troubles in Mexico. The event was also attended by Dr. Malcolm Gillis, President of Rice University and noted international

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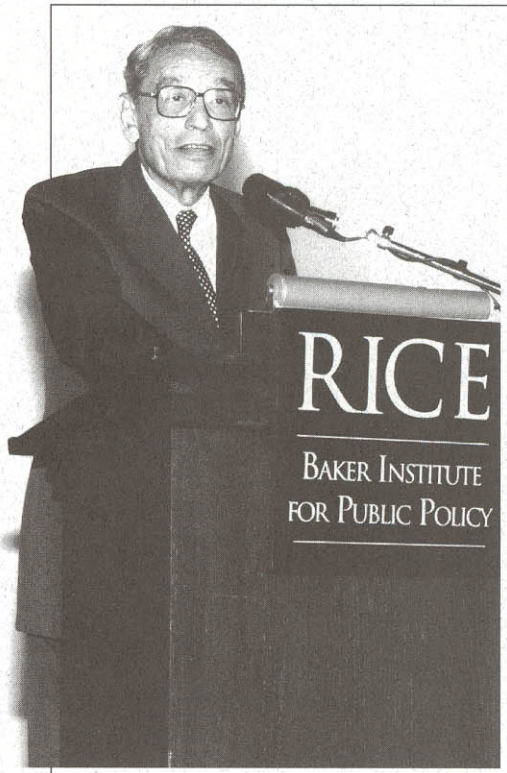

Secretary-General Boutros Boutros-Ghali

Secretary-General Boutros Boutros-Ghali Addresses Peacekeeping, U.N. Role in Bosnia

On May 25 United Nations Secretary-General Boutros Boutros-Ghali was the inaugural speaker at the Baker Institute's Shell Lecture Series. Introduced by Secretary Baker, Boutros-Ghali focused on the controversial issue of U.N. peacekeeping and peacemaking in the post-Cold War era. The speech was particularly timely since it occurred on the eve of a NATO air strike near Sarajevo.

Boutros-Ghali noted that in the wake of the end of the Cold War, U.N. peacekeeping has changed quantitatively, qualitatively, and conceptually. In 1988, the year before the fall of the Berlin Wall, the United Nations was engaged in five peacekeeping operations involving 9,000 troops. The total budget for these operations was $230 million. Today the U.N. is simultaneously undertaking sixteen peacekeeping operations that deploy a total of 61,000 troops. The budget for these operations is a total of $3.6 billion, a figure almost sixteen times larger than the 1988 budget.

According to Boutros-Ghali, the nature of peacekeeping has changed as well. In the past, the U.N. interposed lightly-armed forces between the states that were parties to a conflict. The U.N. peacekeepers were invited by all parties and their primary mission was to monitor a cease-fire that was already in place. Today the U.N. is being asked to intervene in conflicts within states, not between states. These conflicts involve a variety of parties, not just states. There may be no agreement between the parties about the presence of U.N. forces, and no cease fire may be in place. The tasks of U.N. peacekeepers are

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more daunting and more dangerous now than ever before. Describing those tasks, the Secretary-General noted, "In recent U.N. operations, peacekeepers have been sent to areas where there is no agreement; where they lack the consent or cooperation of the parties, and where government has limited authority, or may not even exist. In such difficult situations, peacekeepers try to keep apart the warring parties. They try to safeguard humanitarian assistance; to protect refugees; to demobilize troops; to clear mines; to promote reconciliation; and to organize free and fair elections. In some places the United Nations has been called to restore collapsed State Institutions, and even manage entire ministries of government. These quantitative and qualitative changes have required conceptual re-thinking of U.N. peace operations." While there have been some setbacks in recent peacekeeping efforts, there have been some successes as well, for example, in El Salvador and Cambodia.

The United States is immensely important to the United Nations, but the Secretary-General also believes that the United Nations is immensely important to the United States. The U.N. and the U.S. share a number of goals: a peaceful and stable international order, economic development, and the promotion of democracy. With regards to peacekeeping, Boutros-Ghali argued that many of the conflicts of today fall below the threshold that would motivate the U.S. to act alone, but are above the threshold for international action of some kind. He urged that the U.S. work with and through the United Nations in these circumstances. This can mean early and more effective action at lower cost and lower risk than unilateral U.S. action.

During the question and answer period, Boutros-Ghali discussed recent events in Bosnia. He noted that in making decisions it was necessary to take three elements into account: the military dimension of the problem (how to protect the "blue helmets" on the ground), the impact of decisions on the prospects for negotiation, and the impact on the ability of the U.N. to offer humanitarian assistance in the area.

In answer to another question on intervention in the internal struggles of countries, Boutros-Ghali said the U.N. had never intervened without the agreement of both parties in the dispute; this was the case in El Salvador, Cambodia, Mozambique, and Angola. The one exception to this is U.N. intervention for peace enforcement. In this situation the Security Council decides to use force to intervene without the consent of all the parties. This was the case in the Korean and Gulf Wars.

THE U.N. AT FIFTY

In addition to sponsoring the dinner and speech by Secretary General Boutros-Ghali, the Institute has taken part in several other events concerning the United Nations, which is commemorating its fiftieth anniversary this year.

On January 18 the Institute sponsored a lecture by Erskine Childers. Mr. Childers retired in 1989 after a twenty-two year career as a United Nations civil servant during which he held a number of key positions. Childers contrasted the view of the United Nations held by most of its members with that of its host country, the United States. Most members take the United Nations very seriously and see it as an important, even vital, part of the international environment. However, there is a good deal of skepticism of the U.N. in the United States. Childers argued that for the United Nations to be an effective and vital part of the world economy, it must not only be a peace and security organization, but must also deal with the economic and social causes of upheaval in the world. The United Nations is not a strong institution by itself. For the U.N. to work, Childers believes that the United States must be supportive of the organization. He believes that if the American public were aware of the true nature of the U.N.'s scope and activities, they would return to the level of support and enthusiasm that they gave the U.N. immediately after its founding.

On April 10 Associate Director Richard Stoll spoke to a class in the Rice School of Continuing Studies on the evolution of the U.N. from the beginning of the Cold War to the present. His lecture covered the key issues surrounding the founding of the United Nations, critical events in the evolution of the peacekeeping operations of the U.N., and the relationship between the United States and the U.N.

On May 8 Ambassador Djerejian gave a dinner address to the United Nations Association and the Continuing Studies class on the future of the United Nations. He discussed the future security role of the U.N. He stressed that, in the aftermath of the Cold War, there is a unique and pressing opportunity for the U.N. to play an effective role in international security issues. After reviewing the features of the current global environment and the U.N.'s record to date on peacekeeping, he argued that major reforms and changes are essential both in the Security Council and the manner in which the U.N. conducts its peacekeeping activities.

CFR WORKING GROUP ON THE NATIONAL INTEREST

The Council on Foreign Relations (CFR) is engaged in a year long project to define the national interest of the United States in the post-Cold War era. Working groups have been established in several regions of the country to consider this vital question. Baker Institute Director Ed Djerejian was asked to head up the Southwest Region's working group. To date, the group has met three times. In the first session, held in January, the group heard from Richard Stoll, Associate Director of the institute, who talked about the foreign policy attitudes of elites and the general public. The working group then discussed the meaning of the term "national interest." The second meeting of the group in March addressed the topic of energy, the environment, and the economy. Guest speakers were Charles Duncan, former Secretary of Energy, and William Ruckelshaus, former Administrator of the Environmental Protection Agency. The group discussed these issues from regional, national, and international perspectives. The vital role of energy in defining the national interest was a focus of discussion. The third meeting of the group in May addressed human rights and U.S. security interests. Guest speaker was John Shattuck, Assistant Secretary of State of the Bureau of Democracy, Human Rights, and Labor. Secretary Shattuck's remarks and the general discussion that followed dealt with the complex interaction between the national interest, human rights, democratization, economic reform, and humanitarian interests. In the next meeting, the group will hear from Admiral Bobby R. Inman, USN (Ret.), on U.S. security interests. This will be followed by a summary session to bring together the themes from all the discussion sessions. At the end of the year, Ambassador Djerejian will participate in the CFR's meeting with the other regional working group chairs to disseminate the findings of this nationwide project.

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economist, Mr. Arturo Valenzuela, Deputy Assistant Secretary of State for Interamerican Affairs, and Dr. Albert O. Hirschman, one of the world's leading development economists. In a wide ranging, off-the-record discussion, participants discussed the conditions that led to the current state of affairs in Mexico, the short and medium term goals of the Mexican government, and the prospects for U.S.-Mexican relations.

According to Tellez, the current economic crisis has stemmed from two causes. First, the internal political difficulties of Mexico created enormous uncertainty in global financial markets. Second, the subsequent rise in interest rates and the shortage of capital put additional financial pressure on Mexico. Initially, this was viewed as a simple balance of payments problem by the Central Bank of Mexico, to be corrected through the movement of exchange rates, which the bank felt could be resolved in a couple of months. But the increasing loss of confidence in Mexico led to a massive flight of both government and private assets and created a much larger problem. When the time came to devalue the peso, the Mexican government initiated action without proper precautions and without enough communication with the United States and international markets. At this point, Mexico's economic problems could only be resolved by a stringent adjustment program by the Mexican government and significant help from outsiders including the United States.

The Mexican government, Tellez stated, has adopted such a program, with some initial signs that it has had a positive effect in reducing the economic crisis; for example, in February, Mexico had a trade surplus of 452 million dollars, whereas last February Mexico had a 1.5 billion dollar deficit. There have been other successes as well; imports have decreased substantially, and indebtedness is down dramatically. But this program has had significant domestic costs for Mexico. There has been a 300,000 person increase in unemployment from December 1994 to March 1995, which is attributed to the adjustment program. Currently, the Mexican economy is not growing, but it is estimated by the Mexican government that it will start to grow again by 1996.

Tellez stressed that the Zedillo government remains committed, as has been the case since it took office, to economic and political reform. On the economic front, the Zedillo government is moving to institute free market policies and a market oriented economy. The government is also moving to privatize a number of key industries, such as radio, telecommunications, petro-chemicals, and electricity, as well as the ports and the airports. These moves have been unnoticed because of the financial and political crisis Mexico is facing. The Zedillo administration believes that market reforms will ultimately increase the welfare of the Mexican people, but in the short term these policies may negatively affect the economic welfare of the people. On the political front, Zedillo is moving to institute a number of reforms that will create a more independent judiciary. The Zedillo administration has also tried to govern through consensus building and has sought to run free elections. The government still has a serious problem with the revolt in Chiapas and the possible loss of confidence of the people in the government.

Wolfensohn noted that to some extent Mexico's economic and political problems are the product of the modern world. Computer technology and the decentralized structure of international markets makes it possible for anyone with a computer to play these markets. This has made it far more difficult for governments and the central banks of the world to keep control if difficulties arise. On the political side, it was noted that the drive toward economic modernization that began under President Salinas, and is being continued by President Zedillo, has caused some people to become uneasy as the pace of change threatens to completely alter the world they knew. This uneasiness has led some people to oppose the government, while others began to lose confidence with the assassination of Luis Donaldo Colosio in March 1994. The assassinations of Colosio and PRI leader Francisco Ruiz Massieu in September 1994 also contributed to the decline in confidence of Mexico's political and economic future.

As for the United States, Secretary Baker pointed out that recent concerns about immigration and the economic costs to our country have led some to argue that the U.S. should turn inward and raise barriers to prevent additional involvement with Mexico. But he and the participants in the seminar strongly believe that the best way to protect the United States is to strengthen Mexico's economic and political system and to encourage the government of Mexico to proceed with its economic and political reforms. Despite the serious problems faced by Mexico, the participants in the seminar felt that U.S.-Mexican relations are vital to both countries and they were positive about the long term prospects once the current difficulties are weathered.

Middle East

Secretary Baker and Ambassador Djerejian participated in the consultation hosted by the Center for Middle East Peace and Economic Cooperation in Washington on May 31, 1995. The discussion involved American, Arab, and Israeli officials and leaders in the business community. Both Secretary Baker and Israeli Foreign Minister Shimon Peres spoke before the group on the future of the Arab-Israeli peace process. The main points Secretary Baker made were:

— Palestinian self-government and Israeli security have become inextricably linked. For the Palestinian Authority, Israeli security must be a top priority; if the Palestinian Authority does not improve Israel's security, there will be no Palestinian self-government. For Israel, the future of the Palestinians is a top priority; only a stable Palestinian society can deliver long-term security to Israel.

— The United States should take an assertive role in Israeli-Syrian talks. This should include the presentation of concrete proposals to break deadlocks on critical issues of land, peace, and security and, if necessary, the preparation of a draft agreement to be used as a working text in further negotiations between the two sides. The United States should be prepared to station troops on the Golan Heights as part of a multilateral peacekeeping or monitoring force if such a force is necessary for a final agreement between Israel and Syria. A final agreement between Syria and Israel will not only reinforce Israeli-Palestinian negotiations and strengthen peace with Jordan, but will lay the necessary groundwork for the economic cooperation that provides the best long-term guarantee of a stable Middle East.

— In large part because of American engagement, the Middle East today enjoys a unique window of opportunity. But there are extremists who want to see that window slammed shut. America must do what it can to see that the window remains open. This requires steadfast involvement in the peace process, and it also includes a regional military presence sufficient to contain the ambitions of renegade states such as Iran and Iraq. Finally, it means sustained support for Israel and the moderate Arab states.

Ambassador Djerejian participated in the consultation sponsored by the U.S./

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Proliferation of Weapons of Mass Destruction

On March 8 Dr. David A. Kay, an international expert on proliferation issues and leader of the first United Nations inspection team into Iraq after the Gulf War, spoke at a breakfast meeting hosted by the Baker Institute and the Jewish Institute for National Security Affairs. He discussed the present and future implications of the proliferation of weapons of mass destruction (nuclear, chemical, and biological weapons). Dr. Kay believes there are five basic factors in today's world that will have a strong influence on the extent of proliferation that occurs over the next few decades.

The first factor is that we are *between security eras*. During the Cold War, the U.S. security guarantee to its allies removed the incentive for many of these countries to consider developing nuclear weapons. In the post-Cold War world, countries may come to feel that the U.S. cannot be relied upon and they need to solve their own security problems. The new generation of American leaders, without the experience of the direct exposure to World War II, may not feel as strongly about the necessity of U.S. security guarantees. Finally, the "coinage" of power in this new era may include the possession of advanced weapons technology.

A second factor is the *impact of democratization* interacting with changes in the family structure. As families decline in size, we can expect more resistance to sending family members overseas as part of a military operation. The problem is compounded by the greater role that public opinion plays in the conduct of American foreign and defense policy.

A third factor is what Dr. Kay termed *virtual proliferation*. Today, the knowledge necessary to proliferate is "old science," and available widely throughout the world. This diffusion of knowledge makes it harder to control the spread of weapons technology.

The *breakup of the Soviet Union* is a fourth factor contributing to proliferation. The collapse has made available both materials and people who can provide significant aid to countries and other groups that seek to proliferate weapons of mass destruction.

The final factor discussed by Dr. Kay was *regional animosities*. To a great extent, these conflicts were masked by the Cold War. But in this new era, a number of these conflicts have broken out of their historic shells.

Dr. Kay noted that one key element in the equation was the need for an intelligence community that could deal effectively with these complex issues.

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Middle East Project of the Council on Foreign Relations at the Aspen Institute Wye Center in Maryland on June 11-20, where he made a presentation on Syria in the peace process.

Ambassador Djerejian gave a number of speeches on the Arab-Israeli peace process and U.S. policy toward Islam, including presentations before the Arab-American Anti-Defamation League, the Temple Beth Israel Congregation in Houston, the Houston Philosophical Society, and the Tiger Bay Club in Pensacola, Florida. He also appeared on McNeil-Lehrer PBS News and CNN on the Israeli-Syrian negotiations.

For More Information

If you would like more information about the Baker Institute or if you would like to be added to our mailing list, please call 713-527-4683, or fax 713-285-5993; E-mail address is: bipp@ruf.rice.edu.

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