



BAKER INSTITUTE REPORT

NOTES FROM THE JAMES A. BAKER III INSTITUTE FOR PUBLIC POLICY OF RICE UNIVERSITY

NELSON MANDELA ADDRESSES THE ISSUE OF CONFLICT RESOLUTION

Nelson Mandela advised an overflow audience of some 5,000 people at Rice University on October 26 to settle whatever situation they may face in life through peaceful resolve, just as he and other leaders of South Africa did in their long fight against apartheid.

Mandela fought the race-based system of apartheid from a prison cell for 27 years. After his release, he won the Nobel Peace Prize in 1993 and was elected the first black president of South Africa one year later.

He made his remarks at Autry Court during an event sponsored



During his October 26 talk on the Rice campus, Nelson Mandela called upon the international community "to bear in mind consciously the charter of the United Nations" whenever facing a problem. The charter urges conflict resolution through peaceful means.

by the James A. Baker III Institute for Public Policy of Rice University, where he was awarded the institute's Enron Prize for Distinguished Public Service.

Mandela received a standing ovation upon his introduction, and his legacy was lauded by former secretary of state James A. Baker, III, the honorary chair of the Baker Institute.

Baker, who met Mandela just weeks after Mandela's 1990 release from prison, described him as "soft-spoken but determined, dignified and willing to compromise but absolutely committed to his ul-

continued on page 3

GEORGIAN PRESIDENT EDUARD SHEVARDNADZE AT BAKER INSTITUTE

Georgian president Eduard Shevardnadze and the 61st secretary of the United States, James A. Baker, III, engaged in a dialogue about each other's role in managing a peaceful end to the Cold War.

Their discussion followed a speech, "Georgia: The Caucasus and Beyond," by Shevardnadze, in which he called upon international law to be strictly enforced in troubled regions. Shevardnadze's appearance was hosted by Rice University's Baker Institute.

"I am justified today just as I was in December 1990 to declare that the threat of revenge is real," Shevardnadze said, speaking through an interpreter. "It endangers the single most important achievement to come out of the victory over the Cold War—the creation of a single ideological state based on a common humanistic world view and an apolar world of sorts."

"It happens increasingly often that decisions are taken to de-

continued on page 8



Eduard Shevardnadze, left, and James A. Baker, III shared some lighter moments during the president of Georgia's visit to Rice University's Baker Institute.

LETTER FROM THE DIRECTOR

The Baker Institute at the Beginning of the 21st Century



During the first five years since its inception, the James A. Baker III Institute for Public Policy of Rice University has established a

solid foundation on which it can base its future growth and strategy as we enter the 21st century. First, the institute's initial fund-raising campaign goal of \$40 million by the year 2000 was achieved ahead of schedule and, to date, a total of more than \$50 million has been raised. After payment of the major share of the cost of the new building and the startup costs of the Institute and its programs, approximately \$30 million of the funds are in endowments for institute fellows, scholars, and programs. To meet current and future needs, the institute faces the challenge of raising new funds to support ongoing and new programs. Second, the Baker Hall building, which houses the Baker Institute, the School of Social Sciences Dean's Office, classrooms, and the Political Science and Economics departments, was completed and dedicated in 1997. Third and most importantly, the institute's initial research and programs have been launched based on the principle of comparative advantage. This means we look first at the human and institutional resources we have here at Rice University, in Houston, in the region, and in the private and public sector. Further, as appropriate, we bring in exper-

tise in line with new research and programmatic initiatives that the institute launches. The institute relies largely on the Rice faculty from all of Rice University's schools and cooperates with local, national, and international organizations.

In sum, the past five years have been a period of creating and building the institute on a strong foundation. As we enter the next century, we are ready to consolidate our base and grow into new directions in our research and programs with a view toward making a difference in the world of public policy.

In domestic policy, and in the first major research collaboration of its kind among Rice University, the University of Texas-Houston Health Science Center, and the Baylor College of Medicine, and eventually the M.D. Anderson

Cancer Center, and the University of Houston Health Law Center, the Baker Institute is the public policy catalyst for a broad new initiative on the social determinants of the health of populations under the direction of Senior Baker Institute Fellow Dr. Alvin Tarlov, one of the world's top experts in this field. Also in the field of domestic policy, the institute and the School of Social Sciences are working closely with the University of Houston Center for Public Policy in conducting public opinion research. In the last year, faculty at Rice and the University of Houston have collaborated on several studies for area school districts. Flowing from the institute's domestic policy conference in 1998 on tax reform issues, a book is currently being assembled under the auspices of Rice's Economics Department for publication in 2000, which addresses different tax reform initiatives, including the consumption tax, flat tax, and minor changes to the status quo.

In foreign policy, the institute has focused on regional conflict resolution, energy studies, emerging leaders in Latin America, transnational Chinese culture, and the role of religion and culture in domestic and foreign policy. A successful round of negotiations on the Western Sahara was held at the institute in 1998 under the aegis of James A. Baker, III, the Personal Envoy of United Nations Secretary General Kofi Annan. Several study groups on the Arab-Israeli peace process have been

continued on page 22

MANDELA

continued from page 1

time goal—the creation of a multiracial, democratic South Africa.”

Mandela was introduced by His Royal Highness Prince Bandar Bin Sultan, Saudi Arabia’s ambassador to the United States, who accompanied Mandela on his visit to Rice. In a speech titled “Solving Conflict Through Resolution,” Mandela emphasized the importance of the United Nations and its charter, which calls upon all its members to resolve their problems through peaceful means.

“I urge you, when you face any situation, bear in mind consciously the charter of the United Nations,” Mandela said.

Black South Africans respected the UN charter and also realized they had to be willing to change to bring about an end to apartheid.

“We had to try to change ourselves as individuals, because there’s no use trying to change others if you are unable to change yourself,” he said.

“Our emotions said, ‘It is revolting for me to talk to the people who for more than three centuries have persecuted our people and treated us like flies,’” Mandela continued. “But our brains said something totally different. Our brains said, ‘If you don’t talk to



Former president of South Africa Nelson Mandela is presented the Enron Prize for Distinguished Public Service from Enron chairman and chief executive officer, Kenneth Lay, center. Flanking them are, from left, James A. Baker, III, 61st secretary of state of the United States; Prince Bandar Bin Sultan, Saudi Arabia’s ambassador to the United States; E. William Barnett, chairman of the Rice Board of Trustees; Malcolm Gillis, Rice University president; and Edward Djerejian, director of the James A. Baker III Institute for Public Policy.

the enemy, then this country will go up in flames and innocent human beings—men, women, children, and the aged—will be slaughtered.’ Our brains prevailed over our blood, and we sat down and talked with our enemy.”

Mandela added, “When you have a strong case, you don’t have to resort to violence. You actually want to meet your opponent because he can’t answer your case.”

The mandate of the UN charter also was pivotal in the negotiations by Mandela and Prince Bandar Bin Sultan with Libya’s president Muammar Qadhafi. In April 1999, Mandela and Bandar persuaded Qadhafi to turn over the suspects in the 1988 bombing of Pan Am

Flight 103 over Lockerbie, Scotland.

When Mandela announced that he planned to meet with Qadhafi, the U.S. State Department threatened to cut off assistance to South Africa.

“I must confess that I spoke more from my blood, which was boiling, than from my brain, and I said ‘No one in the universe will dictate to me. I am going to Libya.’

“Many people, including the United States, said we would never convince Qadhafi to hand over those suspects, but we were able to persuade Qadhafi to hand them over. Again in that case, we worked closely with the United Nations, and we kept reminding Qadhafi that the charter calls upon all of us, including Libya, to try to settle problems through peaceful means,” he said.

In another message to his audience, Mandela told students that

“We had to try to change ourselves as individuals, because there’s no use trying to change others if you are unable to change yourself,” he said.

continued on page 4

MANDELA

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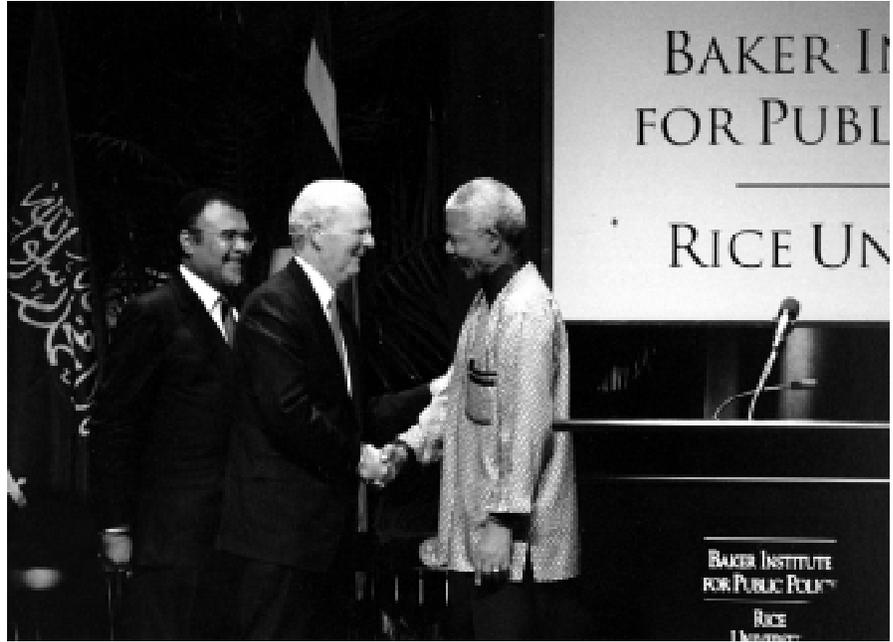
they should acquire the best instrument to save their society—a good education.

Mandela also took questions from the audience, including one from a 12-year-old who asked him how he wants to be remembered and what is in his heart.

“I never wanted to be regarded as an angel. I am an ordinary man with weaknesses,” he said. “I am not a saint, unless you think of a saint as a sinner who keeps trying.”

After Mandela’s remarks, Kenneth Lay, chief executive officer and chairman of Enron, joined Baker; Prince Bandar Bin Sultan; Malcolm Gillis, Rice University president; E. William Barnett, chair of the Rice Board of Trustees; and Edward P. Djerejian, director of the Baker Institute, in presenting the Baker Institute’s Enron Prize for Distinguished Public Service to Mandela. The Enron Prize, made possible through an endowment established by the Houston-based energy and communications company, recognizes outstanding individuals for their contributions to public service. Mandela is the fourth recipient of the prize, joining retired U.S. Gen. Colin Powell; former Soviet Union president Mikhail Gorbachev; and president of Georgia, Eduard Shevardnadze.

Mandela’s presentation was part of the Baker Institute’s Shell Oil Company Foundation Lecture Series.



Nelson Mandela shakes the hand of James A. Baker, III, the 61st secretary of state, as Prince Bandar Bin Sultan looks on. Mandela and Baker first met just weeks after the former president of South Africa and human rights leader was released from prison in 1990.

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“But our brains said something totally different. Our brains said, ‘If you don’t talk to the enemy, then this country will go up in flames and innocent human beings—men, women, children, and the aged—will be slaughtered.’

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COLOMBIAN PRESIDENT SHARES STRATEGIC PLAN FOR REFORM

Presenting his four-part strategic plan for reforming the Colombian government and forging internal peace, president of Colombia Andres Pastrana Arango shared the challenges his country faces with an audience gathered in Rice University's Rice Memorial Center on October 20.

For more than a year, Colombia has been engaged in a process aimed at establishing peace and prosperity in the Latin American country that has been battered by illegal drug trafficking and the war against it.

"I am convinced that the armed conflict that has beset us over the past 40 years must end," Pastrana said. "And I believe that achieving peace is clearly a process, not merely an act of will. To succeed, the process needs the support of a nation-state able to act as a sole guarantor of the public's freedom, as a protector of their property, and as an engine for their prosperity."

"Without a proper institutional framework, even the most well-intentioned accord will collapse."

Pastrana's visit to Rice came at the invitation of the Baker Institute—where he also received the President's Award for Distinguished Service from Rice president Malcolm Gillis. Since being elected in June 1998, the reform-minded Colombian leader has presented his "Colombian Plan" to the United Nations, President Clinton, and members of Congress.

And while Pastrana acknowledged that Colombia has only just

started repairing its infrastructure—unemployment had doubled and the country's fiscal deficit had quadrupled during his predecessor's term—he called on the international community to join the effort.

"An international dimension with respect to Colombia is needed, not only in the name of peace or as a means of increasing investment in our country," he said, "but so we can wage a more



Colombian president Andres Pastrana Arango, center, received the President's Award for Distinguished Service from Rice president Malcolm Gillis, right.

effective campaign against a terrible menace—the trafficking of illegal drugs, which poisons lives, corrupts values and institutions, damages the environment, and stands ready to strike at our innocent children."

To attract international support, Pastrana said he must first "dispel false rumors" and counter "oversimplified sound bites" from news media outlets concerning the impact illegal narcotics trafficking has on Colombia's well-being.

His four-part strategic plan is a step toward reaching that goal.

The plan includes:

- reactivating the Colombian economy;
- forging a lasting, internal peace with insurgent forces;

- stepping up the fight against narcotics trafficking; and
- strengthening the government both locally and nationally, the "cornerstone" of the plan, according to Pastrana.

What has not been reported about his country's economy, Pastrana pointed out, is that Colombia has experienced "uninterrupted growth for almost 70 years, has an investment grade rating, relatively low inflation, a proven track record of having met each and every financial obligation, and an economy that has attracted over \$30 billion in foreign investment in the last five years alone."

"We have the tools and the resources not only to weather a global storm but to prosper and grow," he said.

But the road to recovery cannot be traveled alone, Pastrana said. He has pursued a bilateral investment treaty with the United States as well as commitments from other members of the international community, which would pump about \$1.2 billion each year into Colombia during the next three years.

"My government," Pastrana said, "will continue to work at home and overseas for the triumph of peace, for the defeat of the illegal drug trade, and for an integrated world economy to be sustained and defended by a strong central government dedicated to preserving the values of democracy and human rights."

Pastrana's presentation was part of the Baker Institute's Shell Oil Company Foundation Lecture Series.

PRINCE HASSAN URGES NEW, MORE HUMAN APPROACH TO ACHIEVING PEACE IN THE MIDDLE EAST AND THE WORLD

Expressing optimism about the current Arab–Israeli negotiations, His Royal Highness Prince El Hassan Bin Talal of Jordan called for conflicting sides everywhere to put aside the “sterile politics of ethnicity and the narrow confines of religious ideologies” and think in grassroot human terms.

Such a new approach can lead to agreements that are widely respected by the respective communities and create “a culture of peace which recognizes no viable alternative to dialogue and to peace,” he said.

Hassan made his remarks at the James A. Baker III Institute for Public Policy of Rice University on November 2. The visit was hosted by the Baker Institute and the Institute of International Education and was part of the Baker Institute’s Shell Oil Company

Foundation Lecture Series.

Hassan was hopeful that negotiations between the Israelis and Palestinians leading to final status issues would succeed. Under U.S. auspices, the Israelis and their Arab neighbors seek to negotiate by mid-February a framework agreement on these issues.

“In terms of the current process, I am deeply impressed by the concept of FAPS, that is to say, the Framework Agreement for Permanent Status,” Hassan said. “And I would hope that by February a principled agreement can show us the way ahead.”

Hassan stressed the need for a “fresh and innovative framework to deal with the multifaceted problems of regional security and cooperation,” not just in the Middle East, but throughout the world.

“I feel that a new political vision

is required,” he said. “It must be more relevant and more in touch with popular sentiment at the grassroots.”

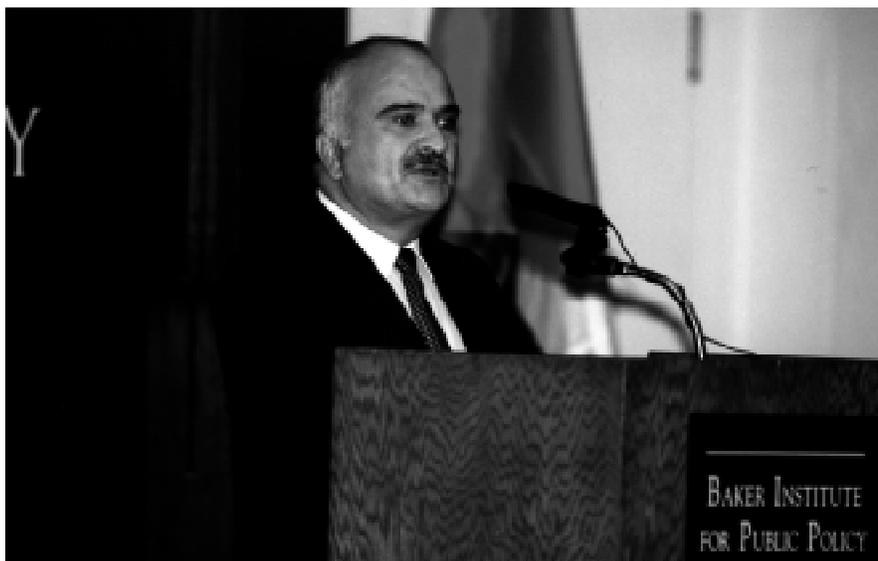
Hassan asked his audience: “Is it possible at all, even with maximum good will, to close the gap between Israel and Palestinian positions on the issues of final status? And assuming that the settlement can be reached between the Israelis and the Syrians, would this really end the Arab–Israeli conflict? Is it only the text that we are speaking of? Is it only the agreements? Is it only the celebration? Or is it—more relevantly—the change of psychological attitudes and psychological approaches?”

“Absolute adherence to fundamental principles should not deter us from examining the perceptions and the attitudes we hold,” he said.

The various cultures of the world need to address the question of security and regional cooperation according to international standards, he said.

The world derives 70 percent of its oil and 40 percent of its gas from the region north of the Caspian Sea down to the Arabian Gulf. Given that, Hassan said, “I wonder what thought, if any, is given to the importance of cultural identity. Culture for me is security, and culture for me is identity.”

The bottom line, he said, is a mutual respect for the sacred, for



Prince El Hassan Bin Talal of Jordan, speaking at the Baker Institute in November, called for conflicting sides everywhere to put aside the “sterile politics of ethnicity and the narrow confines of religious ideologies” and think in grassroot human terms.

continued on page 18

LEE HAMILTON TALKS ABOUT NATIONAL SECURITY, PUBLIC POLICY IN THE COMING DECADE

National security increasingly will face diverse and multifaceted threats, not just hostile nations, said Lee Hamilton, the director of the Woodrow Wilson International Center for Scholars and former congressman (D-Ind.) and chairman of the House Foreign Affairs Committee.

He made his remarks at the Baker Institute for Public Policy of Rice University. Hamilton's talk—"Security, Policy, and Challenges Facing the U.S. in the Coming Decade"—on October 25 was part of the Baker Institute's Shell Oil Company Foundation Lecture Series.

Today, there is no single, paramount threat to U.S. security as there was when nuclear missiles were poised to launch toward America during the Cold War, he said.

"Now we're getting ready for a new century, and I think we have to prepare for a lot more complicated, uncertain international environment," Hamilton said.

"The key characteristics of the international environment will be complexity and the diversity of the challenges that we will face," he said.

Traditional threats continue to lie ahead, he said, including military power projected across international boundaries, conventional weapons, and weapons of mass destruction.

"But most of the threats to our security will probably not come from other states but rather from global forces and nonstate actors,"



Lee Hamilton, director of the Woodrow Wilson International Center for Scholars and former congressman (D-Ind.) and chairman of the House Foreign Affairs Committee, spoke about diverse and complex threats to national security at the Baker Institute in October.

Hamilton said. "Civil and ethnic strife will continue and perhaps intensify. Technology will expand the power of many groups and many individuals, including terrorists. The proliferation of nuclear, biological, and chemical weapons, as well as computer viruses, will be a major danger. The U.S. will become increasingly vulnerable to hostile attacks on its own soil."

Hamilton warned about "weapons of mass disruption" such as information warfare, which is capable of knocking out transportation systems, public works, and electronic infrastructure.

The evolving global economy will have a growing impact on our security. In addition to positive effects, he said, "serious economic downturns, major disparities in wealth, volatile capital flows, and

labor discontent could cause major disruptions in our fragile and exposed communities."

Other concerns include environmental degradation and resource shortages, which could become widespread as the global population increases and U.S. dependence on foreign sources of energy increases.

United States security also will be threatened by transnational issues such as international crime, drug trade, and disease.

Hamilton expects the national security debate will focus increasingly on the question of intervention—when does one intervene, with whom, and with what kinds of political, military, and economic tools?

"The call for American intervention will be a constant refrain in

continued on page 20

SHEVARDNADZE

continued from page 1

nounce and to sanction regimes which commit violations,” he said. “Nevertheless, the body expressing the will of the entire international community, the United Nations, which must act as law enforcer, finds its hands tied by its own charter and insufficient political unanimity among permanent members of the security council. What is the solution? Beware of the dangers of anarchy and impunity of individual states or alliances. In certain cases, take the responsibility and use force, that is, do the dirty work to ensure compliance with resolutions passed by the UN security council and punish the disturbers of the peace. . . . The responsibility for acts of en-

“I am very proud that with James Baker I served an important cause: to overcome the notorious confrontation between East and West and to save the world, to deliver it from nuclear catastrophe,” Shevardnadze said.



Eduard Shevardnadze, standing behind the lectern, was honored as the third recipient of the Enron Prize. Pictured, from left, are E. William Barnett, Rice Board of Trustees chair; Kenneth L. Lay, Enron chairman and chief executive officer; Shevardnadze; James A. Baker, III, 61st secretary of state of the United States; Malcolm Gillis, Rice University president; and Edward P. Djerejian, director of the Baker Institute. Shevardnadze's interpreters are in the background.

forcement must become a collective responsibility, if not of the entire world community, then at least of the UN security council permanent members, who must assume equal shares of responsibility and understand that global security is the ultimate consideration. Even a slight compromise prompted by individual sympathies and sympathy for even serious economic interest is wholly impermissible.”

Shevardnadze's homeland of Georgia, a former republic of the Soviet Union, overcame a 1992 uprising and secession of the Abkhazia region. A policy of “national cleansing” led to the expulsion of 250,000 Georgians from Abkhazia amid fierce fighting until Shevardnadze negotiated a cease-fire. He was elected president in 1995, introducing significant democratic and economic reforms.

As Soviet foreign minister from 1985 until 1990 under Soviet president Mikhail Gorbachev, Shevardnadze and then-United States secretary of state James A.

Baker, III, cooperated closely to achieve a peaceful denouement of the Cold War.

“I am very proud that with James Baker I served an important cause: to overcome the notorious confrontation between East and West and to save the world, to deliver it from nuclear catastrophe,” Shevardnadze said.

The event, which included videotaped welcoming remarks from former president George Bush, was sponsored by the Baker Institute and held April 22 in the Stude Concert Hall on the Rice campus.

As part of the event, Shevardnadze received the Baker Institute's Enron Prize for Distinguished Public Service, made possible through an endowment established by Houston-based Enron. Presented by Enron chairman and chief executive officer Kenneth L. Lay, Rice president Malcolm Gillis, Rice Board chairman E. William Barnett, Baker Institute Director Edward Djerejian,

continued on page 9

JOINT BAKER INSTITUTE–COUNCIL ON FOREIGN RELATIONS STUDY GROUP DISCUSSES SECURITY INTERESTS IN PERSIAN GULF

A newly formed study group co-sponsored by Rice University's James A. Baker III Institute for Public Policy and the Council on Foreign Relations (CFR) in New York is addressing United States policy and interests in the Persian Gulf.

The goal of this project is to answer two questions: How will fluid Gulf Cooperation Council (GCC) domestic conditions, coupled with the continuing need for the United States to foster its interests and remain active in the Gulf, shape America's options in the Persian Gulf during the early part of the next century. And, more immediately, can the United States continue its policy of

dual containment given the dynamics of change among its GCC partners?"

This is the first CFR study group to be both co-sponsored and videoconferenced.

The first interactive session took place October 13 during which participants in New York and Houston discussed and critiqued the United States Administration's policy of dual containment, which aims to address the threats posed to the stability and security of the Persian Gulf by Iraq and Iran. "The U.S. must have a differentiated policy toward Iraq and Iran," said Edward Djerejian, who is the chair of the study group. Dr. Rachel Bronson of the CFR is the project director of the study.

The second videoconference session between New York and Houston was chaired from Rice's Baker Institute on January 10, 2000. The discussion topic was "The United States Military in the Persian Gulf: Postured for Success?"

In discussing security in the Persian Gulf, speakers pointed out that the United States must assess new and emerging circumstances in the region involving changing economic, social, political, and religious and cultural factors. How these factors influence U.S. interests and policy toward the Gulf will be a focus of the study's recommendations.

A final study group report will be published in 2000.

SHEVARDNADZE

continued from previous page

and Baker, the award recognized Shevardnadze's dedication to public service.

In a unique dialogue, Shevardnadze and Baker reflected on several key meetings they had in the late 1980s and early 1990s that were vital in the process of ending the Cold War.

Baker recalled a ministerial meeting in Jackson Hole, Wyoming, a far cry from New York and Washington, D.C., where the meetings were generally held and where little progress had been made.

"Most of all what I remember from that meeting was that the tone and the environment were so far different than what we had experienced in our formal get-togethers," Baker said. "Jackson Hole, Wyoming, was the beginning of a lot of good things."

Another important meeting was held later in Malta, in the Mediterranean Sea. "At the end of that summit meeting, President Bush and President Gorbachev shook hands and declared, 'From now on, we are no longer adversaries.' That was the beginning of the end of the Cold War," Shevardnadze said.

Baker recalled yet another meeting, where Shevardnadze said that force would not be used to keep the Soviet Union together.

"At first, President Bush and I were skeptical, but after Wyoming and Malta, we concluded we could trust what you said," Baker said to Shevardnadze. "That turned out to be absolutely the correct conclusion."

Both men provided rare insights into the decision-making process on the U.S. and Soviet sides during this critical period. The full exchange is available on the Baker Institute website at <http://www.rice.edu/baker/> and on Real Audio and Real Video.

CHINA AND LONG-RANGE ASIAN ENERGY SECURITY

The United States should construct a coherent policy on matters of energy security within the Asia-Pacific region and assist with the formation of regional institutions that encourage cooperation among Asian nations to counter tendencies toward competitive military buildups, recommend authors of a research project, which is part of a series of Baker Institute energy studies.

“Such cooperation can enhance Pacific security and the peaceful resolution of territorial issues,” the researchers added. “The United States should take an active role in engaging China in this process.”

The publication of “China and Long-Range Asian Energy Security: An Analysis of the Political, Economic and Technological Factors Shaping Asian Energy Markets” completed a yearlong study by researchers from Rice, Harvard University, Texas A&M University, and the Petroleum Strategic Studies Institute. The project includes 11 papers as well as an executive summary that contains specific public policy recommendations.

Copies of the research report were distributed to policymakers in Washington, D.C., and Asian nations that will be affected by the development of China’s economy and its energy sector early in the next century.

“China is a society in flux,” wrote Amy Jaffe, senior energy analyst at Rice’s Baker Institute and research project coordinator, in the executive summary accompanying the papers.

“The country’s political, legal,

and economic institutions have all undergone major shifts over the past 25 years and are likely to see further transformation. In particular, China’s government faces extraordinary challenges and excruciating choices in promoting sustainable growth that is important to bolster its long-term legitimacy. China’s energy sector is one of the key areas in which dramatic change can be expected in coming years.”

Among the findings contained in the report:

- Total primary energy consumption in China could grow from 916 million tons of oil equivalent (mtoe) in 1995 to 1,405 mtoe to 1,774 mtoe by the year 2010 and 1,762 mtoe to 2,691 mtoe by 2020. While the bulk of China’s energy demand will continue to come from industrial activities for the foreseeable future, the transportation sector is beginning to represent an increasing share of total energy use. In fact, at a per capita gross domestic product (GDP) growth rate of 5 percent, energy demand in the transportation sector is projected to triple by 2015, fueling a sharp increase in oil and petroleum product use.
- The implication of China’s shift to a world energy importer are significant. During the next 10 to 20 years, China will have to participate in international energy trade on a substantial and sustained basis, form energy supply and transportation alliances, and make security and environmental choices about fulfilling its burgeoning energy needs.

These alliances and trade and policy options will be constrained by the unwieldy organization of China’s oil and gas industry and by the aged and inefficient refining and distribution infrastructure that exists in China today.

- China sees itself both as an emerging gas market and a land bridge for regional gas distribution. A natural gas-oriented energy strategy could provide incentive to China to give serious consideration on how to improve relations with neighboring countries. But in order for joint energy linkages and large-scale, cross-border energy projects to succeed, distrust surrounding China’s long-term geopolitical goals will have to be overcome.
- Subsectors of social groups, special interests, and civil society are providing a rich texture to China’s relations with the United States. In the longer run, these underlying layers will have a deep influence on the development of U.S.–China relations.
- China should make development of natural gas resources a key priority of its national energy policy. The United States should encourage and assist China in enhancing its natural gas industry as a means to diversify from heavy reliance on coal. The U.S. Department of Energy should be supported strongly in its efforts to provide information and assistance about natural gas market regulation, operation, and development. Western gov-

continued on page 21

U.S. -CHINA ENERGY FORUM

U.S. and Chinese energy and government officials discussed the development of natural gas energy resources in China—which is now heavily reliant on raw coal—during the second U.S.–China Oil and Gas Industry Forum held at the Baker Institute this past summer.

The meeting, originated under a state-to-state bilateral agreement between Washington, D.C., and Beijing in 1998, was facilitated by the U.S. energy and commerce departments and China’s State Development Planning Commission (SDPC).

The session was the first official high-level meeting in the United States between U.S. and Chinese officials since the accidental NATO bombing of the Chinese Embassy in Belgrade in May 1999.

The Baker Institute was selected as the site for the official bilateral meetings because of its location in Houston, the energy capital of the United States, and because of the record the institute has established in its work in organizing major conferences and studies, particularly on the subject of energy. (See article on the Baker Institute’s study, titled “China and Long-Range Asian Energy Security.”)

The overall objective of the forum was to promote an exchange of ideas that will assist China in its efforts to secure reliable and economical sources of oil and natural gas.

Both sides agreed to develop policies that would result in increased investment in natural gas

supplies, infrastructure, and trading networks in China and in the wider Asia–Pacific region through, among other things, speeding implementation of the Asia–Pacific Economic Cooperation (APEC) natural gas initiative.

Zhang Guobao, deputy secretary general of China’s SDPC, said in remarks to media covering the event that the conference had in

countries in areas of mutual interest.

U.S. officials stressed China’s natural gas sector could provide good opportunities for U.S. firms and that both sides would work to follow up progress made in the Houston session.

U.S. energy firms attending the forum included Enron, Exxon, Marathon, Unocal, Texaco, Mobil, Phillips, Arco, and Chevron. Both sides tentatively agreed to pursue a third meeting.

Natural gas use represents only 2 percent of China’s total energy consumption at present but could rise to as high as 8 percent by 2020 if China’s central government finalizes and implements plans to earmark the natural gas sector for priority development.

Several U.S. companies are negotiating to participate in major Chinese natural gas infrastructure projects, including Enron, which is bidding to build a major natural gas pipeline project in China. U.S. officials also endorsed China’s suggestion that it could import natural gas from major supply regions.

Sponsors of the meeting included the Baker Institute; Arthur Anderson, LLP; Enron; Exxon; Marathon; Unocal; Texaco; Mobil; Phillips; Arco; and Chevron.

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discussing natural gas development found a major area for U.S.–Chinese cooperation.

The U.S. delegation—represented by Department of Energy Assistant Secretary for Fossil Fuels Robert Gee and Commerce Department Counselor Jan Kalicki—also expressed the view that the forum was considered a success in reestablishing a positive working relationship between the two

JOINT RESEARCH AGREEMENT TO STRENGTHEN U.S. – CHINA RELATIONS

Starting with energy security issues and moving toward overall relations, a new joint research agreement will seek to strengthen the relationship between the United States and China.

Edward Djerejian, director of the Baker Institute for Public Policy, and Yang Chengxu, president of the China Institute of International Studies (CIIS), signed the agreement during a May meeting in Beijing.

This agreement will expand the Baker Institute's international network of scholars and facilitate the sharing of information necessary for building on the institute's recent studies on energy security in China, Central Asia and the Middle East, Djerejian said.

"Furthermore, with China's emergence as a global power in the

21st century," Djerejian said, "it is essential to have joint projects and research on key issues between public policy institutions such as the Baker Institute and the China Institute of International Studies to help facilitate the formation of constructive and mutually beneficial policies between the United States and China at the public and private levels."

Yang said, "Since Asia's energy problems are playing an increasingly important role in economic performance and regional stability and security, we believe the project work is of strategic and farsighted significance."

CIIS is the People's Republic of China's premier foreign policy think tank. The institute draws upon the expertise of some 200 scholars and retired diplomats to

provide foreign policy advice to China's government and corporations. It also frequently provides commentators on China's central media foreign news programs.

"The agreement is a unique marriage of expertise," said Steven Lewis, coordinator of the Baker Institute's Transnational China research project. "CIIS was drawn to the quality and comprehensiveness—including expertise in economic, political, cultural and technological areas—of the Baker Institute's Asian and Middle Eastern energy research programs.

"And the Baker Institute is attracted to the knowledge and authoritativeness of CIIS in all areas of China's international relations. There is a lot of potential synergy to build on."



A joint research agreement between Rice's Baker Institute and the China Institute of International Studies (CIIS) was signed in Beijing in May 1999. Pictured are, from left, Yonghong Yang, researcher; Jian Yuan, senior researcher and head of the American studies section; Yang Chengxu, president of CIIS; Edward P. Djerejian, director of the Baker Institute; Haihan Wang, vice president and senior researcher; Junhui Jin, senior researcher on U.S.–China relations; and Steve Lewis, coordinator of the Baker Institute's Transnational China research project.

TRANSNATIONAL CHINA PROJECT UPDATE

The Baker Institute continued expanding its research projects and community outreach programs related to Asia in the early fall of 1999.

The Transnational China Project engaged one of China's foremost feminist theorists and film theory critics, Dai Jinhua of Beijing University, to conduct a roundtable discussion, "Film Culture and Feminism in Chinese Societies," on September 8. Dai discussed the uniquely feminist perspectives on contemporary film currently being circulated among Chinese societies with a panel of film and women's studies scholars at the University of Texas–Austin who study Hong Kong, Taiwan and the People's Republic of China (PRC): Yvonne Chang, Cindy Chen and Ying Feng-Huang. The roundtable was jointly sponsored by the Department of Asian Studies at UT–Austin. The Transnational China Project conducted other roundtables in December at the Baker Institute, and will host several workshops and public lectures in the spring of 2000. These will examine current trends in literary theory in the People's Republic of China in the 1990s; the growth of national culture in China and East Asia in this century; the values and attitudes of China's emerging consumer class, as reflected in state-of-the-art polling and survey research; the public discourse over popular cul-

ture in China in the 1990s; and the circulation of public art among public spaces in China, Taiwan, Hong Kong, and Singapore. More information can be found on the project's website at <http://www.ruf.rice.edu/~tnchina/>.

The Baker Institute also sponsored several events designed to

large audience of students and members of Houston's Chinese community engaged Tang and his delegation in a lengthy and lively discussion of the various issues and debates involved. The talk was co-sponsored by the Asia Society.

On October 14, former U.S. Ambassador to China James R. Sasser discussed the strength of economic ties between the United States and China at the Texas Town Hall Meeting on U.S.–China Relations. Following his talk, a panel of experts from the US–China Business Council, Enron, Compaq, the University of St. Thomas, and the Baker Institute's Steven Lewis, coordinator of the Baker Institute's Transnational China research project, discussed the complex issues involved in China's entrance into the World Trade Orga-

nization and the impact it might have on trade from Texas. Sasser and the panelists emphasized that the normalization of trade relations between the United States and China under the World Trade Organization would be beneficial for both economies. Short-term costs would be high in some sectors, however, creating political problems on both sides. The event was co-sponsored by the Asia Society, the Texas International Trade Alliance, the Texas Coalition for U.S.–China Commercial Relations, and the U.S.–China Education Foundation.



The Transnational
China Project

中美跨文化游廊

increase public awareness and dialogue on timely issues in Sino–American relations. On September 17, Tang Shubei, deputy secretary general of the Association for Relations Across the Taiwan Straits in Beijing, presented the position of the PRC government as it negotiates reunification with its counterparts from the Republic of China in Taipei. Tang reiterated the PRC government's position that it will never accept an independent Taiwan and that it hopes to persuade its counterparts to accept its "One Country, Two Systems" formula for reunification. After his presentation, a

AFRICAN LEADERS FAVOR AFRICAN GROWTH AND OPPORTUNITY ACT

The leaders of four African nations urged U.S. lawmakers to pass the African Growth and Opportunity Act No. 434, reintroduced to Congress in March by the Clinton administration.

The heads of state of Botswana, Gabon, Namibia and Nigeria made the call during a meeting at the Baker Institute. They were part of a panel discussion on “U.S. Foreign Policy in Africa: Which Way Forward?” on April 27.

The House of Representatives passed the act in July, and the Senate passed a different version of the act in November. The House and Senate will convene to discuss the act and address the differences, perhaps as early as the end of January.

The act would ensure that the United States will continue to work toward improving its relationship with Africa on a number of key issues, including:

- promoting sustainable economic growth and development, including increasing the U.S. share of exports to Africa from its current level of 8 percent;
- promoting democracy and respect for human rights;
- promoting cooperation on transnational issues such as combating deadly viruses and international terrorism; and
- preventing and resolving conflicts on the African continent.

The event was co-sponsored by the Baker Institute and the Corporate Council on Africa and was part of the Shell Oil Company Foundation’s Shell Lecture Series.



Participants in a discussion about U.S. foreign policy in Africa in April included Edward P. Djerejian, director of the Baker Institute; Lee P. Brown, Houston mayor; Susan Rice, U.S. assistant secretary of state for African Affairs; Omar Bongo, president of Gabon; Sam Nujoma, president of Namibia; and Festus Gontebanye Mogae, president of Botswana. The event focused on how the United States could—and should—strengthen its relationship with Africa.

Panelists for the program were President Omar Bongo of Gabon, President Sam Nujoma of Namibia, President Festus Gontebanye Mogae of Botswana, Vice President-elect Alhaji Abubakar Atiku of Nigeria and Susan Rice, U.S. assistant secretary of state for African Affairs. The panelists discussed how the United States could—and should—strengthen its relationship with Africa.

President Nujoma of Namibia said that while African nations needed to expand their production capabilities “very aggressively in order for us to be able to take full advantage of the opening up of U.S. markets,” the friends of Africa in Washington, D.C., needed to launch an intensive lobbying campaign to make certain Con-

gress passes the African aid bill in the year 2000. Indeed, an intensive and successful lobbying campaign was launched, including formation of the African Growth and Opportunity Act Coalition, and efforts are continuing to ensure passage of the act.

“The forthcoming presidential campaign will be focused on U.S. domestic policies,” Nujoma explained. “So time is running out for this legislation to be passed.”

Botswana’s Mogae suggested that passage of the legislation will ensure that progress made in the current U.S.–Africa engagement “will be continued by subsequent administrations that won’t want to derail this very positive relationship.”

continued on page 21

LITERATURE'S INFLUENCE ON PUBLIC POLICY DISCUSSED AT BAKER INSTITUTE

Public policy should preserve “literary diversity”—freedom for social criticism—and writers must give higher priority to preserving biological diversity, said two Latin American writers speaking at Rice during a program that is part of a series devoted to literature and public policy.

Homero Aridjis, the Mexican novelist and poet, and Diamela Eltit, a Chilean novelist known for her resistance to the Pinochet dictatorship, participated in the second Literature and Public Policy Program held at the James A. Baker III Institute for Public Policy of Rice University on December 1. The event focused on the relationship between literature and public policy in Latin America.

Rice's Fondren Library, the School of Humanities, The Baker Institute for Public Policy, and the Shell Oil Company Foundation made the program possible. Maarten van Delden, associate professor of Hispanic and classical studies moderated the discussion between the two authors.

“In the face of more economic Darwinism—the widening gap between the rich and the poor—Latin America's intellectuals cannot sidestep our responsibility. Whether we incorporate our concerns into our novels, poems, or plays, or we express our feelings in the press or the public forum, such as this one, we must give a higher priority to the state of the planet,” Aridjis said. “We cannot separate ourselves from what we are destroying.”

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Aridjis has published more than 20 books of poetry and prose. His work has been translated into 10 languages. He is the recipient of several important literary awards, including the Xavier Villaurrutia prize in 1964 for *Mirándola Dormir* and the Grinzane Cavour prize, awarded in 1993 for 1492, *vida y tiempos de Juan Cabezón de Castilla* as the best foreign novel translated into Italian.

Aridjis, twice a Guggenheim fellow, served as ambassador of Mexico to the Netherlands and Switzerland. He is founder and president of the Mexico City-based

Grupo de los Cien, an influential environmental organization in Latin America. In addition, he is the current president of International PEN, which defends free expression and promotes literature and literacy worldwide.

Eltit, who saw the Pinochet dictatorship attempt to control the literature of Chile, said that literature offers a means of consciousness-raising and redemption. Literature has a real power to produce social changes.

“A deep cultural reflection is needed which would allow for the elaboration of public policies, which truly would favor diversity, because literary diversity has been the most important asset that literature has offered society,” Eltit said. “I refer to the capacity to symbolize human condition painfully or (satirically) to refer to complex and unyielding humanity.”

Eltit played an important role in forging a literature of resistance during the years of the Pinochet dictatorship in Chile from 1973 to 1990. From 1990 to 1993, she served as cultural attaché in the Chilean embassy in Mexico.

She has been awarded fellowships from the Guggenheim Foundation and the Social Science Research Council. She is the author of the novels *Lumpérica* (1983), *Por la patria* (1986), *El cuarto mundo* (1989), *Vaca sagrada* (1991), and *Los trabajadores de la muerte* (1998).

GLOBALIZATION FOCUS OF TALK BY PULITZER PRIZE-WINNING JOURNALIST

Old: Division. New: Integration.

Old: Leaders. New: Individuals.

Old: Hotline. New: Web.

Contrasting the hallmarks, power players and icons of two eras, Pulitzer Prize-winning journalist and *New York Times* columnist Thomas Friedman says it is



Thomas Friedman

time political, economic, and media figures stop talking about the post-Cold War era.

“During the last 10 years we’ve been speaking about

what the world isn’t because we didn’t know what it was,” Friedman said.

“Well, the statute of limitations on calling this the post-Cold War era has run out, and it’s time we called it by what it is: globalization,” he told an audience at the Baker Institute in May.

Friedman was at the Baker Institute discussing his latest book, *The Lexus and the Olive Tree*, which details his observations on the changing world order.

“Globalization is shrinking the world from size medium to size small,” Friedman said. “This is not just a trend; it’s not just some economic fad. This is an international system that has replaced the Cold War system.”

The Cold War was characterized by one overriding feature—division. Until communism collapsed

in 1989, the world was a divided place “and all threats or opportunities grew from who you were divided from, and it was symbolized by a single item—the Berlin Wall,” Friedman said.

Globalization is characterized by integration.

“In this new system, threats and opportunities flow from who you’re connected to, and it is symbolized by a single word—the Web,” Friedman said.

During the Cold War, the two superpowers—the United States and the Soviet Union—were in charge, and the leaders of those countries tried to resolve matters using the “hot line.”

With globalization, everyone is connected and everyone is empowered, Friedman contends.

In this new system, he states, “it’s just like the Internet: we’re all connected but nobody’s quite in charge. During the Cold War, the first question anyone asked was ‘How big is your missile?’ In globalization the first question is ‘How fast is your modem?’”

What distinguishes the two systems is the nature of power. During the Cold War, power was a balancing act with states interacting with other states. In globalization, the state-to-state model still exists, but now there’s the state supermarket and the state superempowered power plays.

“When you blew away all the walls at the end of the Cold War and you wired all the world, what happened is that individuals now

can act on the world stage directly, unmediated by a state,” Friedman said. “Individuals can become superempowered.”

An example, Friedman said, was retired U.S. Gen. Perry Smith’s battle with CNN/Time Warner concerning last year’s broadcast of “Tailwind,” an erroneous report that the United States used chemical weapons during the Vietnam War.

Smith was a consultant for the media conglomerate, but when the producers of the “Tailwind” segment ignored his evidence that the report was not true, he quit consulting and launched an e-mail campaign—enlisting the support of four other retired generals—against the program and CNN/Time Warner.

“His e-mail campaign was so compelling that he had CNN/Time Warner begging for mercy,” Friedman said. “So five retired generals using e-mail brought down a major media conglomerate.”

Smith and his military friends were empowered by technology, Friedman concluded, one of the major forces of globalization.

HISPANIC FORUM ON INTER-AMERICAN INTEGRATION

Recent rapid integration of the Western Hemisphere has had a dramatic impact on U.S. politics, economics, and society. A roundtable discussion held July 24 at Rice University's James A. Baker III Institute for Public Policy examined the impact of integration on the United States. The discussion focused specifically on Hispanic American communities.

The event, titled "Inter-American Integration: Implications for the Hispanic American Community," highlighted regional trends; sought to identify both the beneficiaries of economic integration and those who have been harmed—and why; what the changes in the labor market have meant for U.S. Latinos; and where the Hispanic community stands in

terms of economic strength, social health, and political power.

One significant trend is that the North American Free Trade Agreement is resulting in more economic fusion, said participant Commissioner Vidal Martinez of the Port of Houston Authority. In 1994, the trade pact aimed to commercially integrate the United States, Mexico, and Canada. Martinez said today's largest client of the Houston port is Transportacion Maritima Mexicana or TMM, a Mexican shipping company.

In addition to Martinez, participants included Rep. Sylvester Reyes, D-Texas; state Sen. Gonzalo Barrientos, Austin, Texas; Gracie Saenz, partner, Brooks, Baker & Lange; Abelardo Lopez

Valdez, attorney-at-law; Alfredo Corchado, Mexico correspondent, *The Dallas Morning News*; Patricia Diaz Dennis, senior vice president, Regulatory & Public Affairs SBC Communications Inc.; and Edward P. Djerejian, director, James A. Baker III Institute for Public Policy of Rice University.

The sponsoring organizations were The Hispanic Council on International Relations, The National Council of La Raza, The Texas-Mexico Partners of the Americas and the Baker Institute.

The roundtable discussion was made possible through the support of the U.S. Agency for International Development and the Charles Stewart Mott Foundation.



On October 5, a delegation of Azeri and Armenian journalists, civil servants, and representatives of nongovernmental organizations visited Rice University as part of a United States study tour exploring conflict resolution. Traveling under the auspices of the State Department's U.S. Information Agency, the delegation was hosted by Rice's Office of University Relations. The group met with Edward P. Djerejian, director of the James A. Baker III Institute for Public Policy, as well as professor Earl Black, the Herbert S. Autrey Professor of Political Science (eighth from right), and professor Harold Hyman, the William P. Hobby Professor Emeritus of History (seventh from left).

FORMER MAYOR SPEAKS ON REVITALIZATION OF DOWNTOWN

Houston needs to continue to capitalize on its diversity and use it as an asset, said former Houston mayor Bob Lanier during three lectures held at Rice University's Baker Institute in April.

Lanier—who served as Bayou City chief executive from 1991 to 1997—delivered a series of public lectures on “Revitalization of Downtowns: Theory and Practice.”

In addition to stressing the importance of a diverse and educated workforce, during the lecture series Lanier covered a number of key topics that are expected to have an impact on the future health of Houston's downtown communities.



Former Houston mayor Bob Lanier delivered a series of public lectures on “Revitalization of Downtowns: Theory and Practice” at Rice’s Baker Institute for Public Policy.

Lanier shared how he restored the police force to full capacity and worked to equalize the infrastructure throughout the city and revitalize the areas inside the 610 beltway.

It is the city government's job to carve out the infrastructure and make the city safe and clean, he said.

“My idea was if we fix the neighborhoods around downtown, we'd have the workforce there, not the exodus” out of downtown, he said. “It's not a matter of competition between the inner city and the suburbs.”

Lanier also stressed the need for quality in education. “The big thing we need to be behind in this knowledge economy is education, from the university level to the public school system,” Lanier said. “A well-educated workforce is essential to the location of business and the retention of business, and it is essential to our position as world competitor.”

Projects that lie ahead for Houston and need to be addressed, he said, include building a convention center hotel, the related expansion of the convention center, a residence development center in northeast Houston, and revitalization in the Fourth Ward district of Houston.

The lecture series was co-sponsored by Rice University's School of Social Sciences and the James A. Baker III Institute for Public Policy and was part of the Baker Institute's Shell Lecture Series.

HASSAN

continued from page 6

different people and different cultures. “Realism, I feel, need not negate statesmanship.”

Recalling the historic peace agreement between Israel and Jordan in 1994, Hassan told the audience that he recently reminded his Israeli partners in peace that the treaty should be seen within the overall context of the quest for a comprehensive, just, and lasting peace throughout the entire region.

“In the long term,” Hassan said, “the defeat of terrorism requires more than the imposition of security measures. It demands a proper political settlement that is agreed upon between the representatives of the parties concerned and widely respected by the respective communities.

“It requires a culture of survival, a culture of participation, and a culture of peace that recognizes no viable alternative to dialogue and to peace.”

There are eternal issues, such as the question of Jerusalem, which need to be discussed in human terms, he said.

Hassan emphasized the need to find a balanced resolution to interfaith understanding.

“Comprehension precedes understanding,” he said.

Hassan called for the issue of human security to be high on the agenda and to go beyond individual societies to look at the bigger picture in order to achieve a much-needed humanitarian process.

WITH GOD ON THEIR SIDE: RELIGION AND FOREIGN POLICY

In December, professor of sociology Bill Martin, the Harry and Hazel Chavanne Professor of Religion and Public Policy at the Baker Institute, delivered a lecture on the role of religion in foreign policy in the United States. The talk updated his recent cover article in the journal *Foreign Policy*. He discussed the efforts of Jewish Americans, Christian conservatives, and Muslim Americans to influence American foreign policy, and he offered some general insights as to the role that religion can play in the formulation and conduct of foreign policy.

Martin noted that the Jewish lobby has been very successful, beginning with its efforts to secure American recognition of the state of Israel in 1948. According to Martin, the Jewish lobby's success is due in great measure to its organizational ability, its access to resources and media, and its networking. All of this has helped to create the "special relationship" between the United States and Israel.

Christian conservatives, who comprise about one-sixth of the eligible voters in the United States, have also been successful, Martin stated. He noted that they are masters of technology and organization, using radio programs, direct mail, and the Internet. They have become one of the few interest groups to have both a significant grassroots organization and a strong presence in Washington. They have interests across a

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Using these broad-based labels can obscure significant differences within these three groupings as well as linkages from them to other nonreligiously based groups with policy interests.

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wide variety of foreign policy issues, including support for Israel, concern about the role of international organizations such as the IMF and the UN, and persecution of Christians. While many observers recognize these interests, it is less obvious that some of their policy positions stem from their beliefs of dire Biblical prophecies.

American Muslims have only recently become engaged in organizing to have a political impact. Like the conservatives, their interests in foreign policy are broad, centering on the fate and well-being of different Muslim ethnic

groups throughout the world. The American Muslim community is currently about the size of the Jewish community in the U.S., but it is growing at a much more rapid rate.

Although observers tend to view each of these groups as monolithic, this is not the case, Martin explained. Some Jewish groups in the United States are tied to particular groups in Israel, while others have no such linkages. There are also a variety of different groups that are lumped together under the label of "Christian conservatives." Finally, a number of Muslim groups are connected to different nationalities or ethnic groups whose only common element is the Muslim religion. Using these broad-based labels can obscure significant differences within these three groupings as well as linkages from them to other nonreligiously based groups with policy interests.

Martin asserted that groups of all beliefs have a right to make their interests and policy preferences known. While some of their beliefs may not form an appropriate basis for foreign policy, the fact that religion forms strong bonds between people and can often be a powerful force for peace, nonviolence, and a recognition of the imperfection of human nature should not be overlooked.

HISPANIC INFLUENCE ON FOREIGN POLICY

Rodolfo de la Garza, a professor of political science at the University of Texas and a member of the Council on Foreign Relations, said it is realistic to expect Hispanic-Americans might actively influence American foreign policy.

During a visit to the Baker Institute for Public Policy on October 5, de la Garza criticized the suggestion by Samuel Huntington, chairman of the Harvard Academy for International and Area Studies, that Latinos in the United States would think of themselves as Hispanics first and Americans second in situations where the foreign policy aims of the United States conflicted with those of Hispanic nations. Huntington's suggestion stems from his own theory of the clash of civilizations.

However, using a wide range of data based on Hispanic-Americans' responses to national opinion and attitude surveys concerning foreign policy, de la Garza stressed the tendency of Latinos nationally to identify strongly with the foreign-policy interests of the federal government.

De la Garza's visit to Rice was co-sponsored by the Department of Political Science, the Department of Sociology, and the Baker Institute and was part of the institute's Shell Lecture Series.

HAMILTON

continued from page 7

the years ahead, and it will fall on very uncertain ears because Americans are very ambivalent about intervention," he said.

Hamilton called for stronger leadership in order to meet the threats before they hit home.

"American leadership will be essential to confronting the challenges," he said. "I hope . . . our response to the challenges ahead would be one of engagement. We are simply too big, too powerful, too prosperous not to be involved. In my view, at least, we cannot afford to resort to isolationism or unilateralism or protectionism. But we cannot do it alone."

The support of friends, partners, and of many international institutions is important. "Cooperation with our allies is critical to ensure that much of the world does not resent our power too strongly," he said.

"We will have to bring all of our tools, economic and military, political and diplomatic to help us deal with these problems," he said. "The diplomatic tools practiced so well by Secretary Baker and Ambassador Djerejian of disclosure and mediation, sticks, carrots, and pressures are certainly going to be useful and important." He also said a strong military deterrent will remain essential.

"I suspect you are going to see a major reorganization of the national security apparatus in this country so that we are more integrated and synchronized to handle these multifaceted threats," Hamilton said.

"But the most important thing by far will be to make the most of the vast human resources and expertise of our people."



Ambassador Richard W. Fisher, deputy United States trade representative, participated in a roundtable discussion about U.S. trade policy for the 21st century at the Baker Institute in April. The event was sponsored by the Baker Institute and the Shell Oil Company Foundation.

BALKAN CONFLICT PROVIDES LESSONS

In evaluating the conflict in the Balkans, there are some lessons to be learned from the past, said Gale Stokes, Rice professor of history.

First, he said, economic sanctions don't work. Nationalists are not interested in economics. Second, the bombing helped solidify Serbian resolve.

Stokes presented his lecture titled "The Balkan Mess: Background and Solutions" in April. The event was sponsored by Rice's School of Humanities and the Baker Institute for Public Policy as

part of the Shell Lecture Series.

Stokes, the author of numerous books on Eastern Europe, said the nature of nationalism, such as that expressed in Serbia, is to create a country based on ethnic borders. Historically in Europe, that nation-building process has been violent and costly in terms of human lives.

The mess in the Balkans "is a long-term problem, a European problem," he said. "We're in a no-win situation." But he added there is one possible long-range outcome—remapping the Balkans

around ethnic borders.

The remapping will be bloody, he reminded the audience. Then he outlined in one sentence a moral and difficult responsibility: "Our task is to lessen the human cost."

The causes and background of conflict in Kosovo go back about 500 years, Stokes said. He pointed to the rise of the state system and popular sovereignty, the concept of equity or fairness for all people of one nationality, and the idea of freedom as expressed in a nation-state based upon an ethnic group.

AFRICAN LEADERS

continued from page 14

"I know that Europe has dominated trade in Africa over the years, but I think this new policy of the United States is bound to reverse the trend in the best interests of both the United States and Africa."

State Department Assistant Secretary Rice sought to "dispel some of the myths that are prevalent in the United States about Africa."

She pointed out that when most Americans "talk about Africa at all, [they] tend to lump all Africans together and to view all of Africa as a monolith, as a basket case. And our media don't help that impression, because all we see are stories from Africa about famine and conflict, genocide and disease."

To label Africa as a monolith is like saying there is no difference between the state of Texas and the state of Maine, Rice said.

"The reality is that Africa is not a monolith. Two-thirds of African countries are pursuing bold economic reforms and opening their markets to the global economy," she added. "In the vast majority of these countries democracies are in place or the countries are on the road to democracy. And much of Africa is doing well, growing 4 percent a year economically."

"We in the United States need a much better appreciation of Africa," she concluded.

SECURITY

continued from page 10

ernment and nongovernment agency support and trade credits should be provided to energy companies that invest in major gas infrastructure projects in China.

U.S. policy-making toward China should be coordinated at a high level. Negotiations on wide-

ranging issues, such as trade, energy, the environment, weapons proliferation, security, geopolitics, Asian regional issues, and academic and research exchanges should be guided by a broader, more consistent and comprehensive set of goals and guidelines developed and communicated effectively through inter-agency working groups. In this fashion,

the United States could develop as clear and consistent dealings as possible with China's leadership at many levels of its government and private business.

This study is the fourth in a series of energy research programs at the Baker Institute funded by the Center for International Political Economy (CIPE).

DIRECTOR'S LETTER

continued from page 2

hosted at the institute, resulting in papers recommending specific policy options for decision-makers. Similar work has been done on sanctions policy and U.S. policy toward the Persian Gulf. The institute and the United States Institute on Peace collaborated on a second-track diplomacy mission to the Caucasus on the Nagorno-Karabagh issue, met with the top leaders of Azerbaijan and Armenia, and provided specific recommendations on how these difficult negotiations could be moved forward.

Complementary to the establishment of new faculty positions on Latin American studies, the institute's Americas Project has brought young emerging leaders in Latin America to week-long study groups to discuss and debate major North-South issues. These study groups are providing insights into the thinking of a new

generation of potential leaders in the hemisphere. The Americas Project is a trilateral cooperative program involving the Baker Institute, the Greater Houston Partnership, and the Organization of American States.

Our Transnational China Project focuses on the culture of the emerging middle class in China and provides insights into how it will affect the development of economic and political trends in China. An agreement between the institute and the Chinese Institute for International Studies was signed in 1999 in Beijing, which provides the basis for current studies on energy issues and for future research programs on China.

The institute's research and studies on energy issues have been generously supported by the Center for International Political Economy. Successive studies have broken new ground in this field with a focus on the geopolitical framework of energy supply and security issues in the Persian Gulf, the Caspian Sea Basin, and the Caucasus and Asia. These energy studies have proven to be useful analytic policy tools for decision-makers in both the private and public sectors.

The need to define more clearly the post-Cold War environment, make the institute's focus on the underestimated role of religious and cultural factors underlying regional conflicts and domestic policy increasingly important. In cooperation with Fondren Library and The School of Humanities, the institute has launched an innovative program addressing the relationship between literature and poetry and public policy.

These research programs are but a beginning of the institute's work. We now need to determine what new directions we should consider. In the latter respect, we are exploring with Rice faculty the areas we can build on. The Social Determinants of Health Policy initiative will involve a core of our faculty in the Social Sciences in close collaboration with key institutions of the Texas Medical Center and the University of Houston. We expect this research initiative to expand into different fields involving collaboration across the entire campus. Concerning our collaboration with the University of Houston, and at the request of area school districts, we currently are holding discussions about the formation of a research consortium between the Baker Institute and the University of Houston Center for Public Policy to study issues of public education.

A new initiative on counter-terrorism focuses on Houston's threat vulnerability and response potential at the local, regional, and national levels. This study is being undertaken by the institute in cooperation with the Mayor's Office, institutions at the Texas Medical Center and other regional and federal agencies, as well as other public policy institutions such as RAND and the John F. Kennedy School at Harvard.

We are exploring with the Natural Sciences and Engineering Schools areas of cooperation in research and programs involving space policy and environmental issues, including environmental decision making. We are also planning a program on computers and

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These research programs are but a beginning of the institute's work. We now need to determine what new directions we should consider.

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encryption with Rice's Computer and Information Technology Institute (CITI).

While our agreement with the China Institute of International Studies is focusing now on energy issues with an exchange of scholars and experts, we are discussing the expansion of our cooperation to address issues of importance to the United States-China relationship.

Our involvement in regional conflict resolution issues on the Middle East, North Africa, and the Caucasus continue, and we seek to provide an institutional forum where viable policy options can be presented to decision-makers about the peaceful resolution of these issues.

We also are seeking support for the establishment of the Baker Institute Energy Forum, which will house the complex of issues we plan to address in the energy field, including new energy studies on Latin America, Africa, and emerging technologies.

Further, the institute will continue the distinguished lecture series, generously funded by The Shell Oil Company Foundation, which brings national and world leaders to Rice University to present their visions on some of the most vital issues of our time. Most recently, Nelson Mandela, accompanied by Prince Bandar Bin Sultan of Saudi Arabia, addressed a large audience, mostly students, on conflict resolution and dialogue; President Pastrana gave a major address about Colombia's domestic and foreign policy; and Lee Hamilton discussed security policy challenges

*We see real potential
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own research programs
expand.*

the United States faces. The presentations of the Baker Institute speakers are accessible to a wider audience by the institute's state-of-the-art EDS Teleconferencing center, which puts these programs on the institute's website.

The institute also has entered into some very productive collaborative relationships with key policy institutions such as the Council on Foreign Relations, the Asia Society, the Brookings Institution, the John F. Kennedy School of Government at Harvard, and the United States Institute for Peace. We see real potential for further meaningful relationships with national and international public policy institutions as our own research programs expand.

A core capability of the Baker Institute is its endowed fellow and scholar positions. Ten institute fellow and institute scholar positions have been activated. These endowed positions allow us to bring top scholars and practitioners to

the institute for defined periods of time to work on specific research programs and activities. They will interact closely with Rice's faculty and students and add another dimension to the research and programs of the university. Three more endowed positions are to be activated in the future when the funding of these positions is completed. Further, there are three academic chairs that serve as vehicles for faculty work with the Baker Institute.

In sum, the past five years have been a period of creating and building the institute on a strong foundation. As we enter the next century, we are ready to consolidate our base and grow into new directions in our research and programs with a view toward making a difference in the world of public policy.

Baker Institute Report

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NEGOTIATIONS AMONG ISRAEL, SYRIA, AND LEBANON— SAGIE STUDY PUBLISHED

Achieving a settlement among Israel, Syria, and Lebanon will require strong political will by the leadership in Israel, Syria, and the United States, said Edward P. Djerejian, director of Rice University's James A. Baker III Institute for Public Policy, in an address at Tel Aviv University on June 13, 1999.

His address, titled "The Strategic Equation of Peace: The Negotiations Between Israel, Syria, and Lebanon," focused on the prospects for peace among the three countries.

Forward movement in the Israeli-Syrian negotiations will lead to parallel movement in the Israeli-Lebanese negotiations and, eventually, would open doors for a comprehensive peace throughout the whole Middle East region.

Audience members included Lea Rabin, widow of slain Israeli prime minister Yitzhak Rabin, Shimon Peres, former Israeli prime minister, and Major General Uri Sagie, who was the first Isaac and Mildred Brochstein Fellow in Peace and Security in Honor of Yitzhak Rabin at the Baker Institute. Sagie's study—

"The Israeli-Syrian Dialogue: A One-Way Ticket to Peace?" was published by the Baker Institute in January 2000. Sagie is now the head of the Israeli team that is negotiating with Syria and that accompanied Israeli prime minister Ehud Barak to the resumed negotiations with the Syrians in Washington in December 1999 and in West Virginia in January 2000.

Djerejian spoke at Tel Aviv University's Tami Steinmetz Center for Peace and Research as part of the Rabin-Peres Peace Award ceremony.



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