



# BAKER INSTITUTE REPORT

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

## ISRAEL/PALESTINE WORKSHOP TO MAKE RECOMMENDATIONS

Preliminary recommendations on how to make the Middle East Road Map work are being developed by Israelis, Palestinians, Jordanians, and representatives of the international community at private workshops hosted by the Baker Institute in Houston, Sharm el Sheikh, and Israel.

The institute invited specialists to create a framework for disengagement, state-building, and peace. The principal issue under consideration is how to move from unilateral disengagement to



*Group participants for session one of the Israel/Palestine Workshop, which focused on how to move from unilateral disengagement to trilateral engagement among Israelis, Palestinians, and the international community.*

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## PROSPECTS FOR SOLAR ENERGY IN THE 21ST CENTURY

Among the most important technical challenges facing the world in the 21st century is providing clean, affordable energy whose supply is sustainable and universally available. On October 16 and 17, the James A. Baker III Institute for Public Policy and Rice's Center for Nanoscale Science and Technology (CNST), the Environmental and Energy Systems Institute (EESI), and the Shell Center for Sustainability co-sponsored the second energy and nanotechnology workshop

devoted to addressing technical solutions to the global energy problem.

The workshop, "Prospects for Solar Energy in the 21st Century," was a follow up to last year's conference, "Energy and Nanotechnology: Strategy for the Future," which showcased the opportunities that exist to promote revolutionary and important breakthroughs in energy technology. This year's session was aimed at investigating the potential contributions

of solar-derived energy to a new, improved electricity system and the role of nanoscience in advancing solar technology.

Representatives of the U.S. Department of Energy, the National Renewable Energy Laboratory, Konarka Technologies, Shell Solar, BP Solar, New York University, University of California–Berkeley, Kassel University in Germany, Weizmann Institute of Science

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## LETTER FROM THE DIRECTOR



Having established current public policy research programs on key domestic and foreign issues, the James A.

Baker III Institute for Public Policy is expanding its outreach nationally and internationally with meaningful cooperative programs and partnerships with other institutions.

Domestically, we are initiating close working relationships through our new Health Policy Program with, inter alia, the Texas Medical Center's Baylor College of Medicine, M.D. Anderson Cancer Center, and the University of Texas Health Science Center to examine the costs of medical care. We also are cooperating with these institutions on the follow-up to our stem cell conference in November 2004. In addition, there is a collaborative effort between the Baker Institute and the medical schools and the State of Texas to address the issue of the uninsured and the underinsured statewide. On another project, the institute is working with the Texas Early Childhood Education Coalition.

Our Tax Policy Research Program has constructed a general equilibrium tax-policy model for use by the joint committee on taxation of the U.S. Congress. Our Space Policy Program is working domestically with

NASA in Houston, the Carnegie Endowment in Washington, and the Academy of Diplomacy, and internationally, with the European Space Agency and the Russian and Chinese space programs. Our program on counterterrorism has been called on to take a major role in the newly created Houston–Harris County Regional Homeland Security Advisory Council. Building on our work on public diplomacy in the Arab and Muslim world, we are initiating a joint effort with the Woodrow Wilson School at Princeton.

Internationally, the institute is forming relationships with universities and institutes in Latin America, Europe, the Middle East, and Asia. We are exploring cooperation with Monterey Tec University in Mexico on our new U.S.–Mexico Border Project. In Asia, we are building research ties with some of the most influential policy think tanks, such as the Shanghai Institute for International Studies and the Shanghai Academy of Social Sciences, as well as maintaining our long and close collaborations with the Institute for Energy Economics in Japan and the Petroleum Energy Center in Tokyo. In Europe, we are establishing links and have participated in programs at the American Academy in Berlin; with IFRI, the French Institute of International Relations in Paris; and with IMEMO of the Russian Academy of Sciences in Moscow.

We co-sponsored an energy program in Moscow with the Carnegie Endowment's Moscow Center and will publish a book on our research findings. In the Middle East, we are working with Israeli and Palestinian policy institutes and think tanks, such as the Economic Cooperation Foundation in Israel and the Al-Mustaqbal Association in Ramallah, as part of the Baker Institute's initiative on the Israeli–Palestinian Workshop. We also intend to continue working with Syrian counterparts in the Baker Institute's U.S.–Syria dialogue.

In sum, the Baker Institute looks forward to continuing these national and international cooperative ventures, as well as establishing ties with other organizations as our research programs evolve in the future.

A handwritten signature in blue ink that reads "Ed Djerejian". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Edward P. Djerejian

# FORMER NEW YORK CITY MAYOR RUDOLPH GIULIANI REFLECTS ON LEADERSHIP

Former New York City Mayor Rudy Giuliani said he's often asked whether leaders are born or made.

"They are made, but they have to be born first," he told Rice students, faculty, staff, and other guests of the James A. Baker III Institute for Public Policy during a September 29 lecture at Rice. Education can help make a leader, he added, and that includes informal education, such as observing role models and reading biographies.

Elected the 107th mayor of New York in 1993, Giuliani shared his six principles of leadership based on his life experiences, which include guiding the people of New York through the aftermath of the September 11,

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*"We should be afraid of being attacked. That fear is necessary to drive us to do the things necessary to protect ourselves. However, we then have to manage our fear."*

— Rudy Giuliani

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Rudy Giuliani, Hushang Ansary, and James A. Baker, III.

2001, tragedy.

A leader has to be a person of strong beliefs. "You have to know what you believe before you can lead anyone else," Giuliani said, citing Ronald Reagan's determination that communism was evil and needed to be confronted. "Great leaders like Reagan have to have strong ideas that have to be able to withstand shifts in opinion."

Leaders also have to be optimists. "You can't lead people unless you offer them solutions to their problems," Giuliani said. Martin Luther King Jr. used his "I Have a Dream" speech to lead by giving them hope—a solution to their problems.

Courage is another requirement of good leaders. "Unlike optimism, which you can acquire by disciplining yourself, courage you may have and not know it," Giuliani said. He used firefighters running into a burning building

as an example. "Courage is not the absence of fear. Courage is the presence of fear and then being able to do what you have to do."

Giuliani elaborated on this point in light of warnings about terrorist attacks. "We should be afraid of being attacked. That fear is necessary to drive us to do the things necessary to protect ourselves," he said. "However, we then have to manage our fear."

He encouraged people to go about their lives when terrorist alerts are issued. These alerts are necessary for the people responsible for other people. "The risk of attack for our country is very great," he said. "The risk of an individual being attacked is very small. We can't let [terrorists] stop us from doing what we're supposed to do. They get a victory when they frighten us."

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# EGYPTIAN PRESIDENT'S VISION FOR PEACE IN THE MIDDLE EAST RESTS ON THREE PILLARS

The relationship between Egypt and the United States has led the way in building peace, promoting development, and facing down aggression in the Middle East, said Hosni Mubarak, president of the Arab Republic of Egypt. Speaking to Rice students, faculty, staff, and other guests of the James A. Baker III Institute for Public Policy in Autry Court April 14, Mubarak added, "Today it is now more crucial for the relationship to steer the [Middle East] region through turbulent times. Let us hope for tomorrow by leading together today."

Mubarak, introduced by Baker Institute honorary chair James A. Baker, III, as "the one Arab leader who, from the very beginning, demonstrated his courage and commitment to peace," shared his "hopeful vision" for transforming both the reality and the perception surrounding the Middle East.

Mubarak stressed that the United States and Egypt must assist the Palestinians and Israelis through political negotiations to implement a two-state solution to the Palestinian question, but he cautioned against interfering with the sequence outlined in the road map to peace.

"The time frame for establishment of a Palestinian state still remains undefined," he said. "It must be clear that touching now on any of the issues reserved for final status—territory, security,



*Egyptian president Hosni Mubarak outlined the elements he believes will be necessary to achieve and maintain peace in the Middle East.*

refugees, Jerusalem, and the end of conflict—would only deprive one party or the other from its full right to achieve its national objectives. It could further deprive the international community of a historic chance to achieve a solution based on justice and equality."

Mubarak, who has been president of Egypt since the 1981 assassination of Anwar el Sadat, said his vision of change for the Middle East has three essential pillars.

The first pillar is "to lead the Middle East away from the dead end of conflict to the broad horizons of peace and cooperation," he said, citing a need for the Palestinians and the Israelis to recognize each other's pain,

suffering, and legitimate interests and resume direct negotiations based on the internationally agreed upon principles for the settlement.

The second pillar is "based on the need to continue our efforts to modernize, develop, and reform our societies," Mubarak said. He stressed the importance of society assuming ownership of the course and direction of change, in partnership with the government, and reflected on the progress Egyptian society has made politically, economically, and socially since the 1980s after decades of war and "truly formidable" challenges. He said education is "the most crucial investment" in Egypt's future.

The third pillar entails alter-

ing the region's position in the world. "The widespread view in and beyond the Middle East that the region is destined to a state of continuous conflict is, in itself, a major source of instability," Mubarak said, regretting that the Western world perceives the Middle East mostly through a negative light that perpetuates "mistrust and apprehension on both sides." He advocated mutual understanding and respect among the nations within the Middle East and in the West to allow the region to regain "its rightful place as an equal partner in humanitarian endeavor for a better future."

Mubarak noted other sources of instability, including the proliferation of weapons of mass destruction and terrorism. "The whole world must decisively pool its resources to fight this phenomenon without prejudice or discrimination wherever it originates or operates," he said.

He reiterated the importance of the historical partnership between Egypt and the United States to the peace process in the Middle East. The challenge is not how to maintain this relationship but how to fully utilize its potential for the benefit not only of the two nations but for the world at large.

During a question-and-answer session, Mubarak expressed his concern over Israeli Prime Minister Ariel Sharon's plan to unilaterally withdraw all Israeli soldiers and 7,500 settlers from the Gaza Strip while at the same time letting some of the 230,000

Jewish settlers on the West Bank remain where they are. Mubarak said Sharon's initiative should be discussed with the Palestinians. "The withdrawal from Gaza needs good preparation from the Palestinian side to maintain security and stability," he said, and

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he favors letting the Palestinians themselves negotiate the borders since the 1967 borders are no longer practical. Imposing anything will lead to rejection, he said.

Mubarak lamented the "vicious circle" in which both the

Israelis and Palestinians are losing the lives of innocent civilians as one side kills and the other side aims for revenge. "This will be a nonstop issue," he said. He advised Sharon to sit at the negotiating table with the prime minister of the Palestinians. "The negotiation itself will take a long time," Mubarak said, but it will give both sides a sign of hope for peace.

Mubarak also addressed questions about the "very complicated" problem of Iraq, supporting the training of police forces in Iraq in preparation for a gradual withdrawal. "As long as Americans and allies are in Iraq trying to maintain stability, the people are going to stand against you," he said. He advocated letting the Iraqi people try to maintain their own security and stability.

In reference to economic reform, Mubarak noted the need to understand the psychology of the people in any area. Each country has its own culture, population, behavior, and ways of living. If initiatives are imposed on the Arab world, he said, people are going to reject them. Mubarak added that reform cannot take place overnight.

The program was sponsored by the Shell Distinguished Lecture Series.

# THE EMIR OF QATAR REFLECTS ON REFORM IN THE MIDDLE EAST

On September 28, 2004, the Emir of the State of Qatar, Sheikh Hamad Bin Khalifa Al-Thani, visited the Baker Institute to give a major address focusing on reforms in the Middle East. The Emir was accompanied by Sheikha Mozah Bint Nasser Al-Misnad and Sheikh Hamad Bin Jassim Bin Jabir Al-Thani, the foreign minister. Excerpts from the Emir's speech follow:

“The Middle East region undergoes enduring tensions. It missed one chance after the other for reforming the affairs of the countries of the region and the building of just peace among its peoples.

“Failure to achieve development with its twin political and economic facet has caused the region to be penetrated from outside and to witness accumulation of frustration from within. This region has become more unstable when its peoples discovered that many areas around the world are enjoying freedom and establishing an economic renaissance while they, despite their emancipation from imperialism,



*The Emir of Qatar, Sheikh Al-Thani, discusses reform in the Middle East with James A. Baker, III.*

are being subjected to authoritarian governments which distorted their chance to enjoy the fruits of independence. The eagerness to achieve democracy in the region is behind the tendency of most of the people of the region to view with appreciation the American experiment in this regard. The Arabs do not hate the United States because of its democracy, as it is falsely alleged, or abhor it for the freedom it enjoys, as is depicted by false allegations. The peoples of the region have

come to realize through their spontaneous human intuition that the international order was not far away from the economic backwardness and the political despotism they happen to suffer from. That order was dealing with regimes which were not favored by their people. It sometimes even sought to support and strengthen those regions.

“Reforming the Middle East region has remained for many years very slow, and sometimes it could not be started—even in the wake of the September 11th attacks. Hence, the main challenge facing those who aim to achieve reform in the region is how to transform it from a fearful enemy into a friend that portends prosperity and welfare. Those who shun reform and those who are hesitant to initiate it both usually justify their behavior by alleging that reform will lead

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the region to chaos and anarchy, ignoring that the problems witnessed by the region are ascribed to the lack of reform rather than otherwise. We should remember that terror acts are caused by instances of frustration experienced by the generations of the region which were deprived from their inalienable right to participate in and enjoy their share in development.

“We are quite aware that progress is not easy to achieve. Abraham Lincoln once said, ‘I walk very slowly but I never retreat,’ which is a very nice expression that denotes an integral philosophy that realizes the difficulty of proceeding forward without surrendering and is quite aware of the barriers that hinder change without frustrating its hope of achieving the better.

“We in Qatar have realized years before the September attacks that the Middle East, while approaching a new world in the wake of the Cold War, should adopt a language that matches the legitimate human dreams of freedom and participation as well as the full right to enjoying a decent life. We ought to realize that reform is not a mere plan or program that is worked out but rather a vivid culture and a mode of thinking that needs inculcation. That motivated us to effect huge development of our educational institutions by seeking the assistance of advanced international expertise, the American in particular, depending on an advanced style for the optimization of resources.

“The hope we still cherish for

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*“Such crises make the region fraught with danger.*

*It makes the people of the region feel that they are besieged from all sides. This is where the actual danger lies, for the international dealing with these threats and concerns may repeat the same mistakes of the past.”*

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the Middle East, dear friends, is that all its countries would initiate sustainable reform which endeavors to mend everything, particularly that the international community has proved during the past few months that it never accepts that the Middle East feigns reform, but rather seriously embarks on extensive reform. This is even more needed after so many initiatives were made to that effect.

“The consolidation of reform in the Middle East is necessary for the stability of the region and the world at large. The international order, in turn, must shoulder its responsibilities and important mandate.

“Although I agree with the view claiming that reform in the Middle East should not await the conclusion of a final settlement to the Arab–Israeli conflict, yet I call for a new mode of thinking that should be pragmatic and differentiate between the various issues in a way that helps us to achieve progress on all of them.

It is impossible to underestimate

the importance of reform under the pretext that we are preoccupied by the Palestinian cause or to claim that making reform will dissuade us from resolving that question.

“It is, therefore, incumbent on the international community to discern that most of the pitfalls of the Middle East are the making of flimsy debates over the reference point from which the region should take off. Sometimes hesitant and ambivalent people who do not favor reform allege that it will not work and it should even start before a final settlement for the conflict with Israel has been achieved. Thus they promote the idea that reform should be a return for peace. On the other hand, we came to understand from Israel and influential actors in the international community that settlement will not proceed for both unless the Arabs who are parties to that conflict, especially the Palestinians, embark on initiating extensive reforms, alleg-

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## RISKS NECESSARY FOR PEACE ACCORDING TO MA'OZ

Moshe Ma'oz, the Isaac and Mildred Brochstein Fellow in Peace and Security in Honor of Yitzhak Rabin at the James A. Baker III Institute for Public Policy, gave a talk on "Israel–Syrian Prospects for Peace: Past, Present, and Future."

Ma'oz, who also is a professor of Islamic and Middle Eastern studies at Hebrew University, explained that Israel and Syria had in hand a peace agreement that included Israeli withdrawal from the Golan Heights, security arrangements, and establishment of diplomatic relations. Only one issue remained in dispute: a narrow strip of land 12 kilometers long and a few hundred meters wide along the northeastern shore of the Sea of Galilee, also known as Lake Kinneret or Lake Tiberias. Israel claimed possession of this land or its approximation as the legal border between the



*Moshe Ma'oz discusses the need for political courage if peace in the Middle East is to become a reality.*

two countries. Syria demanded a border on the shore of the lake, giving it access to the water. At an earlier stage in these negotiations Syria had conceded the Israel position, provided Israel would accept the shoreline as the basis of negotiation toward a full agree-

ment. Israeli Prime Minister Ehud Barak at first agreed but later changed his mind. Negotiations broke down, with little prospect currently for their successful resumption.

The underlying cause for the failed talks, Ma'oz said, was deep-seated popular hatreds that inhibited both Barak and Syrian president Hafiz Asad from taking political risks. Neither man summoned the leadership or courage to educate his public to the benefits of peace, as Menachem Begin had done in 1978, when he convinced the Israeli public to withdraw from the Sinai in return for peace with Egypt. Instead, Barak and Asad behaved like political tacticians, and a historic opportunity vanished.

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# THE STATUS OF AFGHAN WOMEN AFTER 9/11

The plight of Afghan women received extensive media coverage following the events of September 11, 2001, but only two years later, the question of the status of women in Afghanistan has been all but forgotten.

In that context, the James A. Baker III Institute for Public Policy co-sponsored an event with the Feminist Reading Group of Rice's Center for the Study of Cultures in spring 2004. The two-day symposium, "Afghan Women

After 9/11," was held March 18 and 19 and featured speakers and the screening of a film-in-progress.

The first presentation featured Anne Brodsky, assistant professor of psychology and women's studies at the University of Maryland-Baltimore County. Brodsky has worked with the Revolutionary Association of Women of Afghanistan (RAWA) and published a book documenting their struggle, *With All Our Strength:*

*The Revolutionary Association of the Women of Afghanistan.*

The second event featured a screening of a film by documentary filmmaker Meena Nanji. The film, *View from a Grain of Sand*, explores the lives of Afghan women refugees living in Pakistan. The third speaker, Sonali Kolhatkar, presented her views about Afghan women in the context of U.S. foreign policy and discussed her work as co-director of the Afghan Women's Mission.



*Anders Fogh Rasmussen, prime minister of the Kingdom of Denmark, visited the Baker Institute to give a lecture titled Working Together in the Post 9/11 World: New Global Challenges for America and Europe.*

# CIVIL SOCIETY IN THE AMERICAS: THE MISSING LINK BETWEEN THE PRIVATE AND PUBLIC SECTORS

Civil society organizations can help foster collaborations between the private and public sectors in Latin America, but their roles often are underutilized. Participants in this year's Americas Project reached this conclusion and shared their thoughts on the complex issues involved.

"The social and economic development of Latin America requires the participation and collaboration of all sectors of society," said Erika de la Garza, program coordinator for the Americas Project—a yearly leadership forum at the Baker Institute. The forum hosts emerging economic, political, and cultural pacesetters throughout the Western Hemisphere to discuss solutions to some of the most pressing challenges confronting the nations of the Americas.

One sector working on its own is unlikely to realize the potential made possible through collaborations. The Mexican participant to this year's Americas Project was the country director of Pro Mujer, a nongovernment organization that is a perfect example of the impact this tri-sector collaboration can have. "By providing microfinance to women in rural areas in Mexico, Pro Mujer is very successful at providing an alternative to poor women who otherwise would be begging on the streets to support their families," said de la Garza.



Pro Mujer provides small loans, saving and health opportunities, and basic accounting and human development training for women to make and sell food or crafts to sustain themselves and their families. By joining efforts with local governors and federal funds as well as with private com-

panies, Pro Mujer has been able to replicate these programs in several Mexican towns, multiplying the programs' social impacts. Furthermore, Pro Mujer has similar programs in Bolivia, Peru, and Nicaragua. In this case, through the partnership of the Mexican government, the private sector, and a civil society organization, a positive local initiative not only has been replicated to benefit more people in the same country but also abroad.

The private sector also can gain from collaborations with civil society organizations and government. De la Garza noted that Intel has a large plant in Costa Rica that manufactures computers. The company has worked closely with the ministry of education and the Omar



*Participants in this year's Americas Project delved into ways to bring civil society and the public and private sectors in Latin America into mutual collaboration.*

Dengo Foundation to design and provide computer training in technical schools. Intel benefits by having a potential work force among the local graduates. The country benefits from having people with computer skills, and the Omar Dengo Foundation is satisfied in knowing that it has helped provide educational opportunities to the community.

While the advantages of three sectors working together might seem obvious, implementing multi-collaborations is not always a simple solution.

“Each country is different,” de la Garza said. In Argentina, for example, civil society organizations denounced government abuse after the military dictatorship of the ’70s and ’80s. “There’s a lot of mistrust between the government and civil society organizations. There’s hope, but the relationship between these two sectors will take a long time to heal,” she said.

Many people in Ecuador mistrust the private sector in general because of damage the oil companies have done in jungles in the past. “The private sector’s lack of accountability when it has acted recklessly has eroded trust in the companies’ capacity to have a positive impact in the communities in which they operate. They don’t trust each other because of their history,” de la Garza said.

While the Americas Project participants acknowledged the need for the different sectors in Latin American countries to help one another, they noted that the working environment there is



*An Americas Project working group deals with specific issues during the conference.*

different from that of the United States.

“The participants from Argentina mentioned that in the United States, civil society organizations work within their own sphere,” de la Garza said. “We have to keep in mind that the U.S. was built from the bottom up, but countries in Latin America were built from the top down, often with the sword. That makes a difference in mentality and willingness to cooperate.”

De la Garza, a native of

Costa Rica, said culture in Latin America does not encourage volunteering or donating money to civil society, but the United States can provide examples of how organizations can benefit from such philanthropy.

Americas Project fellows for 2004 came from Argentina, Bahamas, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Honduras, Mexico, Peru, St. Lucia, Suriname, and the United

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– Erika de la Garza

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# SCHOLARS ANALYZE UNDOCUMENTED MIGRATION TO THE U.S.

Seven leading scholars of undocumented migration to the United States analyzed this growing problem in a Baker Institute conference September 17. The seven emphasized, in particular, the identification of key research questions that might lead to more effective policy.

Despite the passage of the first immigration policies explicitly designed to curb undocumented migration in 1986 and 1996, the number of undocumented immigrants to the United States has continued to grow to 9.8 million in 2003 from 3 million in 1980, according to Jeffrey Passel of the Urban Institute. The undocumented represent 29 percent of the foreign-born population and most—84 percent of them—arrived during the 1990s. The vast majority of the undocumented are from Mexico and other Latin American countries. The Mexican-born population in the United States has increased to 10.6 million in 2004 from 1 million in 1970. Of the annual flow of 430,000 immigrants from



*Peter Mieszkowski, the Allyn R. and Gladys M. Cline Professor of Economics, left, and Allen Matusow, the William Gaines Twyman Professor of History and associate director of the Baker Institute, listen to a talk during the Baker Institute conference on undocumented migration to the U.S.*

Mexico between 2000 and 2003, 80 percent were undocumented.

James Smith, a senior economist with RAND Corporation, presented evidence that virtually the entire decline in the “quality” of immigrants over time, as measured by educational attainment and wage rates, is due to the increase in the proportion of immigrants who are undocumented.

Douglas Massey, professor of sociology and public affairs at Princeton’s Woodrow

Wilson School of Public and International Affairs, was highly critical of U.S. immigration policy toward Mexico. Massey’s basic premise is that it is impossible for the U.S. and Mexico to develop close economic ties through increased trade in commodities and foreign direct investment without generating large flows of immigrants. As the U.S. does not give Mexico preferred treatment in its legal quota of immigrants—only 20,000 from Mexico are permitted a year, a very low level—the large flow of undocumented migrants is inevitable. Massey presented evidence that the crackdowns at the border had little, if any, impact on the flow of illegal immigration. The undocumented migrants simply went around the hardened sectors of the border.

As a solution to this problem, Massey proposed a temporary visa

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that would allow the bearer to enter and to work in the United States for two years. Each of the 300,000 two-year visa holders would pay a fee of \$400, and a tax of 25 percent of their earnings would be withheld. A proportion of these taxes would be returned to the migrants on their return to Mexico.

Harvard's George Borjas, the Robert W. Scrivner Professor of Economics and Social Policy at the Malcolm Wiener Center for Social Policy, asked whether the 1986 amnesty program encouraged further illegal immigration during the 1990s. He also questioned the extent to which the family preference system embedded in U.S. immigration policy links the volume of illegal and legal immigration, and whether the family preference system makes it very difficult to create a temporary work visa that encourages workers to return to their home countries.

Borjas reviewed some of his recent work on the labor market impact of immigration. His core result is that, in the absence of Mexican immigration between 1980 to 2000, the weekly wages of native high-school dropouts would be 6.2 percent higher, and high school graduates' wages would be 1.3 percent higher.

It is commonly believed that illegal immigrants from Mexico are drawn from the lower portion of the skill distribution. Gordon Hanson, professor of economics at the University of California–San Diego, presented contradictory evidence. Mexican

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*The most ambitious proposal to come out of the conference was Hanson's suggestion of a longitudinal cross-border survey of illegal and legal immigrants.*

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immigrants, he said, come from the middle and upper-middle of Mexico's wage distribution. Hanson also pointed out that Mexican immigrants have become increasingly heterogeneous. They no longer are only itinerant farm laborers but now include long-term residents who live and work in cities. Illegal immigrants earn lower wages than legal immigrants, and immigration from Mexico tends to rise quickly following declines in Mexican wages.

Two general research strategies grew out of discussion at the conference. The first was that additional work is needed on a number of traditional issues discussed in immigration literature. For example, little is known about the benefits of illegal immigrants for specific groups of consumers and different sectors of the economy. There also needs to be more research about

the impact of immigrants on total factor productivity and technological change in agriculture and elsewhere. Finally, several participants emphasized the need for further work on the effects of illegal immigrants on the cost and quality of various publicly financed services such as health-care and education.

The most ambitious proposal to come out of the conference was Hanson's suggestion of a longitudinal cross-border survey of illegal and legal immigrants. Hanson argued that the few surveys in which illegal status is identified are dated and that many questions about illegal immigration cannot be answered without a longitudinal survey, which would follow a migrant household from country to country.

Researchers at the Baker Institute currently are working on the design and feasibility of such a survey; they are weighing the benefits and costs of surveying over time Mexicans currently resident in the United States or households resident in Mexico, some of whom will migrate.

Katharine Donato, a demographer and associate professor of sociology at Rice, co-chaired the Baker Institute conference with Peter Mieszkowski, the Allyn R. and Gladys M. Cline Professor of Economics and Finance.

The conference is the first of several in a comprehensive study of U.S.–Mexico border issues. The three-year project is sponsored by Houston Endowment Inc. and the Allbritton Foundation.

# TRANSNATIONAL CHINA PROJECT EXPLORES MIDDLE-CLASS CULTURE IN CHINA'S GLOBAL CITIES

The Transnational China Project (TCP) is continuing its pioneering research examining historic changes in the social values of China's growing middle class. Recent work has focused on how economic globalization is changing the ways Chinese identify with each other. As China and the Chinese societies of the diaspora integrate with the global economy, this emerging middle class could come to think of itself in several different lights: as grounded residents of the new global cities, as citizens of a great nation, or as the consumers of a mobile, transnational middle class.

These changes in the ways Chinese identify with each other may affect their participation in solutions to local, national, and international problems, including the provision of public services, education and healthcare, and the creation of intellectual property right regimes, capital markets, and a stable and secure energy resource infrastructure. In fall 2004, Steven Lewis, director of the Transnational China Project at the James A. Baker III Institute for Public Policy, will compare the messages in local government public service notices and advertisements for housing developments in the new public spaces in Beijing, Shanghai, Hong Kong, Singapore, and Taipei from 1998 to 2003, looking for competing



The Transnational China Project 中美跨文化游廊

appeals to local, national, and transnational identities. The collection of these messages will be used in designing a survey of Chinese urbanites in spring 2005 that will try to determine how Chinese are responding to these competing appeals. This survey is sponsored by the Luce

Foundation of New York and will be conducted in collaboration with China's largest academic and commercial social survey research firm, Horizon Survey Research, with results to be published as BIPP Studies following a capstone conference at Rice University in summer 2005.

Preliminary findings of this research were presented by Lewis at the Mansfield Center's annual China Studies conference at the University of Montana in April, at the World Forum on China Studies at the Shanghai Academy of Social Sciences in August, and at the International Joint Research Project on Contemporary Chinese Media, Culture, and Society at the



*Baker Institute staff met with Chinese officials at the Ministry of Foreign Affairs, Beijing.*

Communication Arts Research Institute in Taipei in September. Several of these reports have been published in academic journals and interdisciplinary-edited volumes.

The Transnational China Project has explored changes in contemporary Chinese culture through several university and public education activities in spring, summer, and fall 2004.

Students and faculty at Rice University met with invited scholars and experts examining traditional and modern notions of religiosity and related world views, including Chinese attitudes toward divination and geomancy, pilgrimage, sexuality, and ethnicity. In the spring, they met with one of China's most famous writers, Yu Hua, author of *To Live*, to discuss trends in contemporary Chinese fiction. They discussed the impact of the chaotic Cultural Revolution on China's middle generations with award-winning director Carmen Hinton at the Houston premiere showing of her documentary, *Morning Sun*, at Rice Cinema on November 30.

As part of the TCP's mission to take its expertise beyond the



Samples of images of advertisements in Chinese public spaces collected as part of the TCP's prototype online digital image archive.

university hedges, TCP will work with Houston and Dallas area high-school teachers to devise multimedia teaching modules that introduce American students to the vibrant consumer culture of Chinese cities. These modules will draw on the more than 4,000 images of advertisements in Chinese public spaces collected as part of the TCP's prototype online digital image archive.

Finally, the TCP also is supporting research and public education on the relationship between contemporary Chinese culture and key issues in international relations and energy and environmental policy. The TCP and the Asia Society co-sponsored very popular public talks on China-India relations, with Harry

Harding, dean of International Studies at Georgetown University, in April, and on China's integration into the global economy, with scholars of the East-West Center in Hawaii, in October. Lewis worked with the BIPP Energy Forum, the UFJ Research Institute of Japan, the Institute for Energy Economics of Japan, and Horizon Survey Research of Beijing to host a research workshop of Chinese, Japanese, and American scholars examining the changing attitudes toward

energy security, international cooperation, and environmental awareness among Chinese urbanites. The workshop was held at Rice University in June.

Lewis also presented the implications for this research for understanding Chinese views on conservation and cooperation with other countries at a public roundtable discussion at Rice's Shell Center on Sustainability in September. In addition, TCP will examine the views of Middle Easterners toward economic relations with China in preparation for a proposed conference on U. S., China, and Middle East relations, to be hosted by BIPP and the Shanghai Institute for

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# CONFERENCE EXPLORES THE GEOPOLITICS OF NATURAL GAS

Recent technological advances mean that natural gas is poised to play a more crucial role in the future global energy mix, Qatar's second deputy prime minister and minister of energy and industry, Abdullah Bin Hamad Al-Attiyah said in the opening address of the Geopolitics of Gas conference, held at the Baker Institute on May 26–27, 2004.

Attiyah noted that natural gas is “the fossil energy source friendliest to the environment” and explained that its abundance gives natural gas a vast potential to serve as a major, long term reliable energy source. But he added that geopolitical factors and country risk are important factors in decision-making for construction of export pipelines, liquefied natural gas (LNG) facilities, and other needed gas infrastructure. “There are many uncertainties and challenges we have to deal with on a global scale, which makes the producer–consumer cooperation essential,” he said.

Attiyah was introduced by Baker Institute honorary chairman James A. Baker, III, who told the conference that from the U.S. perspective, “The development of natural gas markets will have an important—and perhaps decisive—impact on our future growth and energy security.” Baker noted that natural gas was important to the global picture, “not the least for the over one billion people around



*Baker Institute Energy Program presents a study that highlights the political challenges that might accompany a shift to a natural gas-fed world.*

the world who today have no dependable access to electricity.”

Attiyah was one of many notable figures speaking at the international conference convened to unveil a joint study on the geopolitics of natural gas by the Baker Institute and the Stanford Program on Energy and Sustainable Development. The study used historical case studies as well as the innovative World Gas Trade Model to examine the interplay between economic and political factors in the development of natural gas resources. Case studies investigated the special challenges of investing in large-scale, long-distance gas production and transportation infrastructures, examining why some projects were built and other

alternative viable projects stalled. Case studies also covered projects in Algeria, Russia, Turkmenistan, Indonesia, Trinidad and Tobago, Qatar, and the southern cone of Latin America.

The study's purpose is to highlight the political challenges that might accompany a shift to a gas-fed world. Amy Myers Jaffe, the Wallace S. Wilson Fellow for Energy Studies at the Baker Institute and research coordinator for the study, and David Victor, director of Stanford's Program on Energy and Sustainable Development, presented study conclusions at the invitation-only conference. More than 300 government officials,

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# BAKER INSTITUTE RELEASES NEW STUDY ON RUSSIAN ENERGY

Russia is entering a potentially historic moment of opportunity as a world energy superpower and has initiated high-level energy cooperation dialogues with important oil consuming countries such as the United States, China, and Japan and the European Union, according to a new Baker Institute energy study. The study, titled "The Energy Dimension in Russian Global Strategy," cautions, however, that the outcome of these efforts remains to be seen as political, bureaucratic, commercial, and regulatory barriers continue to plague Moscow's ability to "deliver the goods."

The study, a two-year effort conducted with the Petroleum Energy Center of Japan, was presented October 25, 2004, to an audience of industry, media, and government leaders. Opening remarks were made by institute director Edward Djerejian and Masahisa Naitoh, chair and CEO of Institute of Energy Economics of Japan.

During the workshop, research findings were presented by several participating scholars, including Richard Gordon, executive vice president, John S. Herold, Inc.; Richard Stoll, professor of political science and associate dean of social sciences, Rice University; Martha Olcott, senior associate, Carnegie Endowment for International Peace; Nina Poussenkova, senior researcher, Institute of World Economy and International Relations, Russian Academy of Science; Nodari Simonia, director, Institute of

World Economy and International Relations, Russian Academy of Science; Kenneth Medlock III, research fellow, Baker Institute; Peter Hartley, professor and chair, Rice University Department of Economics; Ronald Soligo, professor, Rice University Department of Economics; and Isabel Gorst, Russian editor, McGraw Hill Publications.

Study findings presented during sessions covered such topics as politics, business, and energy policy in Russia; Russian oil and gas resources and production potential; Russian corporate sector strategies; pipeline politics; and the impact of Russian oil and gas on international energy markets.

The study concluded that:

- Russia has the potential to be a world energy superpower, and energy has become a key plank in Russia's diplomacy in Asia and the West.
- The potential for strong Russian oil and gas production growth is real. Oil exports could rise by more than 2 million barrels a day by 2008 based on known resources and existing cash flow.
- The Kremlin's plans to reorganize the domestic industry could dampen the level of increase by disrupting speedy implementation of plans to remove infrastructure constraints and by possibly causing a slow down in capital expenditures and project development.
- Sustainable export growth depends on removing major bottlenecks in Eastern Siberia,

a Northern route to the Barents Sea for ocean bound movements and a bypass to the Bosphorus Strait. The rapid shift to a global gas market will depend on creating the context in which investors will have confidence to deploy vast sums of financial capital.

- A sea change is taking place that is likely to affect the business model for the Russian energy industry.

The Baker Institute study warned that the trend back to state intervention in the energy sector in Russia means that major consuming countries need to enhance the institutional mechanisms that favor markets over political intervention by government and that the U.S. should work to bring the rules governing trade and investment in global oil into harmony with rules governing trade in manufactures and services. The study also concluded that a more measured and concerted effort is needed by oil-consuming nations to establish energy policies that do not depend on influencing the outcomes inside oil producing countries like Russia.

The study was made possible through the support of the Petroleum Energy Center of Japan, Renaissance Capital, Baker Botts L.L.P., Lehman Brothers, and the Baker Institute Energy Forum.

A full copy of the joint Baker Institute-PEC study is available at <http://www.rice.edu/energy>.

# WORKSHOP PROGRAM EXAMINES THE FUTURE OF ENERGY AND SECURITY IN NORTHEAST ASIA

The James A. Baker III Institute for Public Policy Energy Forum continued an important research collaboration in 2004 with the UFJ Research Institute of Tokyo on a project titled “The Future of Energy Security and Energy Policy in Northeast Asia: China, Japan, and the United States.” The joint project, begun in 2003, brings together scholars from the three countries to examine the future of energy policy formation in Northeast Asia.

As part of this multiyear effort, the Baker Institute’s Energy Forum, the UFJ Research Institute of Japan, the Institute for Energy Economics of Japan, Boodc Inc., and Horizon Survey Research of China hosted a series of international workshops and original sponsored-research projects examining the future of energy security, energy policy formation, and environmental awareness in Northeast Asia, focusing on the potential for coordination between China, Japan, and the United States. The workshops brought together scholars and policymakers from these countries to examine three key factors affecting the future of energy and environmental policy formation in Northeast Asia.

First, researchers explored the changing attitudes, knowledge, and influence of the Chinese people on energy and environmental issues. Second, they inves-

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*The survey suggests that Chinese urbanites are greatly concerned about energy and environmental issues, but, in general, they are not well-informed about the rapidly evolving nature of China’s international energy relations.*

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tigated the changing relations between China’s government regulatory and ownership institutions and its state-owned oil and gas companies. Finally, they estimated the potential for Chinese, Japanese, and American governments, state-owned oil and gas companies, and multinational corporations to construct multilateral institutions of energy and environmental policy coordination.

The Baker Institute and UFJ co-sponsored three workshops

on these factors in Beijing and Tokyo in March and in Houston in June. The last workshop, Energy Security and Environmental Awareness in China, examined the results of a pioneering survey of Chinese city-dwellers conducted by Horizon Survey Research in February. The survey suggests that Chinese urbanites are greatly concerned about energy and environmental issues, but, in general, they are not well-informed about the rapidly evolving nature of China’s international energy relations. They tend to trust domestic companies and the central government to eliminate shortages of domestic fuels, yet most count on multinational corporations and foreign investors to provide stable supplies of foreign sources. Finally, despite competition with other major energy-importing countries, they also favor cooperation with the United States, Japan, and international organizations to meet China’s future energy and environmental needs.

Funding for the project was provided by the UFJ Research Institute of Japan.

# NUCLEAR POWER AND OIL IN JAPANESE ENERGY AND SECURITY

Nuclear power contributes to Japan's energy security by reducing the economic impact of an oil price shock, according to a study released September 14 by the James A. Baker III Institute for Public Policy.

The study estimates that, in the absence of nuclear power, the cumulative impact of a single oil price shock (25 percent change in oil prices) could result in a loss of up to 2 trillion yen in gross domestic product. On a per-megawatt basis, this places the value of nuclear power at roughly 42 million yen (U.S. \$382,000) per megawatt of installed nuclear capacity.

The study also demonstrates that greater volatility in oil prices increases the importance of nuclear power to energy security. For example, Japan's nuclear power capacity saves as much as 154.4 million yen (U.S. \$1.4 million) per MW of installed capacity or the equivalent of 57.8 percent of the capital cost of construction of a Japanese nuclear power plant under a sce-

nario of extreme oil price volatility. The authors cautioned, however, that these figures do not account for some of the more controversial operational issues regarding nuclear power, such as the problem of waste disposal and/or potential costs of nuclear accidents.

While the study calculates a clear value to energy security of nuclear power in Japan, it also demonstrates that fuel diversity is important to keeping electricity prices low and maintaining system stability. In particular, the study shows that if all electricity in Japan were to be shifted to nuclear power, electricity prices would increase above their current levels, due to the costs of managing peak loads in the absence of peaking facilities, which are typically fired by natural gas and/or fuel oil. Moreover, absent alternative fuel choices for generating electricity, the costs of the recent staged shutdown of nuclear reactors in Japan would have been exceedingly high. Consequently, while playing a

key role in protecting Japan's economy from the potential cost of volatile oil prices, too heavy a reliance on nuclear power would actually raise the country's electricity costs to the point of diminishing returns.

"The study clearly demonstrates that, although nuclear power can reduce a nation's exposure to international oil market fluctuations, diversity of fuel choice in the electricity sector is important to a nation's energy security," said the study's principal author, Kenneth Medlock III, senior research fellow in energy studies at the Baker Institute and a visiting professor in Rice's Department of Economics.

Peter Hartley, professor and chair of the Department of Economics, co-authored the study, which was made possible by a generous grant from the Tokyo Electric Power Company Inc. The report is available online at <http://www.rice.edu/energy>.

## RARE REAGAN VIDEO NOW AVAILABLE

One of the last public statements made by the late President Ronald Reagan was a videotaped speech shown at the September 19, 1994, groundbreaking cer-

emony for the James A. Baker III Institute for Public Policy. His remarks focus on James A. Baker, III, honorary chair of the institute, and are available online

at the Baker Institute's website, <http://bakerinstitute.org>. RealOne Player is needed to view the 23-minute video clip.

## FORUM DISCUSSES THE DYNAMICS OF E-VOTING

“When voters can cast multiple votes and election insiders can tamper with election results with stunning ease, it is clear that our voting systems are inadequate,” said Rice University’s Dan Wallach, the keynote speaker at a September 16 forum on the risks of electronic voting sponsored by the James A. Baker III Institute for Public Policy and Rice’s Computer and Information Technology Institute.

Last year Wallach, assistant professor of computer science and assistant professor in electrical and computer engineering, and colleagues at Johns Hopkins University discovered security flaws in the software used for one of the nation’s most popular electronic voting systems. The researchers found that people could cast multiple votes and otherwise tamper with elections and leave no trace of the illegal activity.



Jan Odegard, executive director of Rice’s Computer and Information Technology Institute, makes a presentation to the e-voting forum. Rice assistant professor of computer science Dan Wallach, who was the forum’s keynote speaker, sits to Odegard’s right.

Wallach and his colleagues studied the computer code believed to be for Ohio-based Diebold Election Systems’ electronic voting equipment. They found the code, which included modifications made through

2002, on a public website where it had been posted anonymously.

In the study, Wallach and researchers at Johns Hopkins’s Information Security Institute analyzed tens of thousands of lines of source code. They found vulnerabilities in the system that could be exploited by an individual or group intent on tampering with election results. In particular, they pointed to the use of a “smart card” containing a tiny computer chip that each eligible voter receives from poll officials in order to access an e-voting terminal. The card, inserted into the electronic voting machine, is designed to ensure that each person casts only one ballot. But the researchers believe a voter could hide a specially programmed counterfeit card in a pocket, withdraw it inside the booth, and

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*“A well-designed election system is the bedrock of our democracy, and, increasingly, computer security experts at universities across the country are expressing serious concerns about whether the proprietary software used by electronic voting equipment vendors is up to the task.”*

– Dan Wallach

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use it to cast multiple votes.

Diebold was highly critical of the report, noting the researchers did not test the software under actual election conditions. The company also said the code analyzed was never used in an actual election, and Diebold said current versions of the software are not vulnerable to the problems described.

“A well-designed election system is the bedrock of our democracy, and, increasingly, computer security experts at universities across the country are expressing serious concerns about whether the proprietary software used by electronic voting equipment vendors is up to the task,” Wallach said.

“I believe computers can make voting easier, less confusing, and more accessible for people with disabilities,” Wallach said. “What concerns me most are systems that create no paper records that can be audited by election officials. Should a dispute arise about the initial count, there should be a paper record that officials can use for a recount. At that point, the computer record is no longer of tantamount importance. Even if the system is hacked or a dispute arises about irregularities—real or imagined—there’s a physical record to fall back on.”

Following the keynote address, a panel of experts shared their views on electronic voting and answered questions from the audience. The panel included Dana DeBeauvoir, Travis County clerk; Scott Hochberg, Texas State Representative, District

137; Kathy Mitchell, research coordinator, Consumers Union Southwest Regional Office; and Tony Sirvello III, executive director of the International Organization of Election Officials and former advisor of elections for Harris County.

“Recent election problems have sparked great interest in managing the election process

through the use of electronic voting systems,” said Edward Djerejian, director of the Baker Institute. “As a society, we must consider carefully the risks inherent in electronic voting and address the problem to ensure that our democracy remains intact with integrity. This forum was intended to help make the public aware of the issues.”



*Rice professor Naomi Halas presented her research using gold nanoshells to combat cancer to members of the Roundtable on June 14 at a luncheon hosted by Susan Baker and Beth Robertson.*

# POLITICALLY ACTIVE WOMEN PRESENT VIEWS ON POLITICAL VOLUNTEERISM

Before Andrea White helped her husband, Bill, run for mayor of Houston, she hadn't been particularly politically active. And while she was an enthusiastic supporter of his goal, she was initially a timid participant in his campaign. For example, she said that during early "block walks," going door-to-door with information about the candidate, she would knock very lightly on the doors and quickly scurry away, relieved, if no one immediately answered. By the end of the campaign, however, she was talking to anyone who would listen, educating them on issues, and encouraging them to become active as well. "It was a process of personal growth," White said.

She shared this anecdote September 10 during a James A. Baker III Institute for Public Policy forum titled "Women



*Andrea White speaks on political volunteerism at a Baker Institute forum on Women and Public Policy.*

and Public Policy: A Primer on Political Volunteerism." Growth and empowerment were common themes as participants discussed political volunteerism and related issues.

In addition to White, the forum featured five politically active women from varied backgrounds: Carol Quillen, associate professor of history at Rice and director of Rice's Boniuk Center for the Study and Advancement of Religious Tolerance; Sherea McKenzie, executive director of the Joint City/County Commission on Children; Martha Wong, member of the Texas State House of Representatives; Amy Myers Jaffe, the Wallace S. Wilson Fellow for Energy Studies at the Baker Institute and associ-

ate director of the Rice Energy Program and the Shell Center for Sustainability at Rice; and Marty Morrison, associate director of community outreach for Harris County.

"Being political is being human," Quillen said. "It is exercising the uniquely human capacity to choose what kind of world we want to live in."

Quillen spoke to a room filled with young female students from Rice, the University of Houston, and Texas Southern University, many of whom were eligible to vote for the first time in this fall's election. She encouraged them to get active on campus and be heard. "I think acting politically is empowering," she said, particularly in a venue where others

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*"Being political is being human. It is exercising the uniquely human capacity to choose what kind of world we want to live in."*

– Carol Quillen

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will listen to one's point of view. "It's an opportunity to draw attention to something that is being ignored."

Or an opportunity to stand up for something. Jaffe said she witnessed the power of a woman's voice early on. Jaffe was just a girl when her mother joined with other women in her town to fight a developer who planned to build on a parcel of land containing a pond where the neighborhood children would play and catch butterflies. "I am proud to tell you that when I take my children home to visit my mother, we go down to play at that pond," Jaffe said.

Several speakers echoed that their parents' involvement in politics was influential. Some families played sports, Quillen said; her family was involved in politics. "It's just what we did," she said. Morrison grew up hearing her father's voice blare over a bull-horn during election time as he drove a campaign truck through their community, encouraging

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*"I don't think that voting is just a privilege—I believe it is your responsibility. If you are a citizen of the United States, you should vote. It is your responsibility to keep this nation alive."*

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—Sherea McKenzie

people to vote for a particular candidate. McKenzie, an African American, was raised by parents who had fought for the right to vote by participating in marches, protests, and boycotts. "I watched them vote. I watched them support particular candidates. I watched them do things that really effected change," she said. And when she would ask them why being involved was such a big deal, they told her, "You'll know when you don't have the right to vote."

Wong described herself as living the immigrant's American

dream, being raised by immigrant parents who couldn't even buy a house because of their race to becoming a Houston City councilwoman to representing District 134 in the Texas House of Representatives.

She said, "I don't think that voting is just a privilege—I believe it is your responsibility. If you are a citizen of the United States, you should vote. It is your responsibility to keep this nation alive." McKenzie commented, "An election may not go the way you hoped, but the point is you have weighed in. You have let yourself be heard."

But having a voice is something many women in our society are not accustomed to. Jaffe, a nationally known expert on energy and the Middle East, is not among them. In fact, she said, she is accustomed to making sure she is heard. She recounted a meeting she attended with a female intern. Jaffe said she was the only woman in the meeting of about 15 people, all kicking ideas about. Jaffe voiced her opinion. "I can be very forceful



From left to right: Sherea McKenzie, Amy Myers Jaffe, Andrea White, Franci Crane, Marty Morrison, Martha Wong, and Carol Quillen.

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# LANE AND SMALLEY DISCUSS THEIR SUPPORT OF THE UCS CALL FOR ACTION

Two Rice University professors who signed the Union of Concerned Scientists' (UCS) recent statement calling for legislative and regulatory action to restore scientific integrity in federal policymaking explained their views during an April 7 talk at the James A. Baker III Institute for Public Policy.

Neal Lane and Richard Smalley both expressed concern that often when scientific knowledge has conflicted with the Bush administration's political goals, the process by which science enters into administrative decisions has been manipulated. Their concerns were shared by more than 60 other leading scientists who signed the UCS statement released February 14.

The statement claims that the manipulation has been done in several ways: by placing people who are unqualified or who have



Neal Lane

conflicts of interest in official positions and on scientific advisory committees; by disbanding current advisory committees; by censoring and suppressing reports by the government's own scientists; and by failing to seek independent scientific advice. Advocating policies that are not scientifically sound, the Bush administration has at times misrepresented scientific knowledge and misled the public about the implications



Richard Smalley

of its policies, according to the statement.

As an example of such manipulation, the statement noted that in support of the president's decision to avoid regulating emissions that cause climate change, the administration has misrepresented the findings of the National Academy of Sciences, government scientists, and other experts. Last year, the White House demanded extensive changes regarding climate change in a major report by the Environmental Protection Agency.

This particular example hit a raw nerve with Smalley, who said the evidence that global warming is driven by human production of greenhouse gases is "extraordinarily compelling." He cited a 2001 report by the Intergovernmental Panel on Climate Change (IPCC) in which scientists from around the world concluded that the rate at which Earth is heating is faster than

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*Smalley described the Bush administration as being in "CO<sub>2</sub> denial," noting that one of the aspects of denial is the inability to confront the truth. "We have a way of finding the truth that is called 'science,'" Smalley said. He signed the UCS statement "because it helps bring the issue to the fore."*

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what could be explained by natural causes alone and that a human driver must be involved.

“To get all those scientists to agree to a statement is a major thing,” said Nobel laureate Smalley, University Professor, the Gene and Norman Hackerman Professor of Chemistry, and professor of physics. “There is a basis of underlying objective truth to it, which is what we in science are training ourselves and disciplining ourselves to go after.”

Smalley noted that the Bush administration asked the National Academy of Sciences to review the IPCC report to determine whether the conclusions had been overstated, and the academy agreed with the IPCC. But Bush’s science advisor, John Marburger, issued a statement about global warming that does not mention these findings.

“I don’t think this is an accident,” Smalley said. “It’s too central of an issue. It was a major polarizing issue in the last election. I believe there is an agenda here to minimize what might be the biggest single issue for our planet. If this is really right and we don’t find a way of getting around it, we just might flip the climate into a new mode.”

Smalley described the Bush administration as being in “CO<sub>2</sub> denial,” noting that one of the aspects of denial is the inability to confront the truth. “We have a way of finding the truth that is called ‘science,’” Smalley said. He signed the UCS statement “because it helps bring the issue to the fore.”

Lane supported the statement because he was aware of the administration “consciously misrepresenting the science or consciously not seeking to get the best scientific advice” on issues involving the environment, reproductive health, protection against harmful agricultural practices, and other matters that have a scientific foundation.

“There were enough examples that we felt comfortable saying that there’s a pattern here,” said University Professor Lane, senior fellow in science and technology at the Baker Institute, and professor of physics and astronomy.

“Good science should inform good public policy,” said Lane, a former director of the National Science Foundation who served as President Clinton’s assistant for science and technology and director of the U.S. Office of Science and Technology Policy. In the past, Republicans and Democrats have been able to agree that science is important and should be respected and supported, but, Lane said, “Something has changed.”

The government has been listening to the voices with “big money,” Lane said, referring to oil companies and other industries that would be impacted by environmental regulations and religious groups that have particular beliefs about preventing teen pregnancy and AIDS. “The government then takes action not just to put in place a policy that is responsive to these groups but to actually mislead people as to what the science is,” he said.

“That’s the danger of it.”

The UCS statement has been criticized as being politically motivated during an election year. “My view is that there’s no way to avoid that impression, but it’s the wrong impression,” Lane said. The signers of the statement are a bipartisan group that includes people who served in previous Republican and Democratic administrations, and the statement was issued once the scientists were able to get together and do enough research to feel confident that a problem exists.

Both Lane and Smalley spoke highly of Marburger, acknowledging that he is one of the best-qualified science advisors in recent administrations. But they noted that Marburger’s rebuttal of the UCS accusations has to be the administration’s official response. “Marburger has to defend that. He has no choice,” Lane said.

The two Rice professors hope the attention given to the UCS statement will encourage more constructive discussion of the role a scientific advisory committee should play.

The Baker Institute Student Forum and the Baker Institute Science and Technology Policy Program hosted the conversation with Smalley and Lane.

# BAKER INSTITUTE STUDENT FORUM EVENTS PROVIDE OPPORTUNITIES FOR DIALOGUE AND LEARNING

Interest in public policy is not limited to fellows and other researchers at the Baker Institute. Students also share that interest, and so, in 2002, a small group of undergraduates created the Baker Institute Student Forum (BISF). Dedicated to fostering student involvement in public policy, BISF brings distinguished guests and events to Rice through the Baker Institute.

In 2004, the BISF hosted Stephen Lewis, Baker Institute Fellow in Asian Studies, who addressed Sino–American relations and domestic policies. David Abshire, director for the Center of the Presidency and co-founder of the Center for Strategic and International Studies, addressed wartime leadership, focusing on the administrations and initiatives of Presidents Lincoln, Roosevelt, and George W. Bush. Randa Hudome, former associate deputy secretary of energy under Bush, spoke on the politics of energy, with a focus on rising gas prices as well as election-year strategies and security.

Additionally, BISF capitalized on the enormous wealth of knowledge in the Rice community by hosting panels featuring Rice faculty and Baker Institute Fellows. These events covered an array of issues, including science policy, health policy, religion, and overall foreign policy. BISF also welcomed Baker Institute Fellow Amy Myers Jaffe to discuss energy policy, and Ambassador Edward

Djerejian, director of the institute, who discussed public diplomacy in the Arab and Muslim world. A recent coffee talk to address healthcare policy with Bridget Gorman, assistant professor of sociology at Rice, and Vivian Ho, Baker Institute fellow and chair in health economics, offered an intimate and informative discussion of the current status of healthcare in the U. S. and avenues through which Americans can act to improve the quality of life for all of the country's citizens.

Neal Lane, senior fellow in science and technology and former science advisor to President Clinton, and Richard Smalley, Nobel laureate and the Gene and Norman Hackerman Professor of Chemistry and professor of physics, participated in a well-received panel that addressed the scientific integrity in the Bush administration. There was a large turnout for this event, including many undergraduate students from the natural sciences and engineering.

During Owl Weekend, April 15 to 18, a dynamic panel discussed the impact of foreign policy on the 2004 presidential election. Panel members included Richard Stoll, professor and associate dean of the School of Social Sciences and member of the Council of Correlates of War Project; Joe Barnes, the Bonner Means Baker Institute Visiting Fellow and Rice economist; and Mahmoud El-Gamal, chair of Islamic economics, finance, and management

and professor of economics and statistics at Rice and scholar-in-residence, U.S. Department of Treasury. Prospective students expressed a lot of interest in the Baker Institute Student Forum as well in the research being conducted by fellows in the institute.

BISF encourages student dialogue not only through outlets with distinguished guests but also through student forums. A recent example of such an event was a student panel study break organized by BISF prior to the final presidential debate. Members from Rice Democrats and Rice Republicans addressed issues pertaining to the November election. Students congregated in Kelly Lounge to watch the debate, socialize, and debate among themselves over refreshments.

These events have engaged the Rice community, providing students opportunities to offer their voice on many policy issues that dictate and influence our lives. BISF hopes to build on its success and create new opportunities for students. This year, BISF and the Baker Institute will publish its first annual BISF Papers, a publication of undergraduate research. Through this public policy journal, students have the opportunity to collaborate with Baker Institute fellows and distinguished Rice faculty to address a variety of policy issues and provide a forum for academic debate.

## MARTIN AND STUDENTS DISCUSS ROLE OF RELIGION IN WAR

As even casual observers of the world scene are aware, religion plays an increasingly prominent role in many of the wars and lesser conflicts that roil nations and regions around the world.

Last February, students of William Martin, the Harry and Hazel Chavanne Professor of Religion and Public Policy in the Department of Sociology and a senior fellow of the James A. Baker III Institute for Public Policy, examined that role in three disparate regions:

Guatemala, Nigeria, and the Balkans—all chosen because of serious internal conflict in recent years. Based on group projects originally prepared for Martin's course on the sociology of religion, each group gave multimedia presentations in which they sketched the historical background of the regions they had chosen to study, then delineated the role of religion as it intertwined with such factors as longtime rivalry among ethnic groups, economic factors, secular

political interests, and the influence of outside forces.

Members of the group studying Nigeria were able to attend the November 2003 institute program featuring His Excellency Olusegun Obasanjo, president of the Federal Republic of Nigeria, who had won the hotly contested 2003 election that had been a major focus of their project.

## JAFFE AMONG KEY WOMEN IN ENERGY

The Baker Institute's Amy Myers Jaffe was among the 2004 Key Women in Energy—Americas honorees. The competition recognizes 100 women in the Western Hemisphere for their contributions to the energy sector or related businesses.

Jaffe, the Wallace S. Wilson Fellow for Energy Studies at the James A. Baker III Institute for Public Policy and associate director of the Rice Energy Program and the Shell Center for Sustainability, was an honoree in the Pathfinders/Trailblazers category, which lauds "women

who broke traditional barriers or changed the face of the energy industry at some point in their career."

The honorees were selected from nearly 400 nominations by a jury of 12 industry peers in North and South America and announced at a May 4 reception presented by RaderEnergy in Houston.

Jaffe has authored or served as research director for a number of studies published by the Baker Institute on topics ranging from U.S. energy policy to the geopolitics of oil in the Middle

East and Caspian Basin to nanoscience and energy. She recently led a study on energy in Russia and a joint venture program with Stanford University on global natural gas geopolitics.

Vicki Colvin, professor of chemistry and in chemical engineering and director of the Center for Biological and Environmental Nanotechnology at Rice, won the top award in the Innovation/Creativity category this year.

## NEW INSTITUTE FELLOWS NAMED IN 2004

*The James A. Baker III Institute for Public Policy sponsors independent, original, and in-depth research in many areas of domestic and foreign policy, with much of that research conducted by institute fellows. Several new fellows recently were named.*

### John W. Diamond, PhD

John W. Diamond is the Kelly Fellow in Tax Policy. He received a PhD in economics from Rice University in 2000.

His research interests are federal tax and expenditure policy, including tax reform, state and local public finance, and computable general equilibrium models. His research has appeared in the *National Tax Journal*, *International Tax and Public Finance*, and *The Encyclopedia of Taxation and Tax Policy*.

Diamond served on the Joint Committee on Taxation, United States Congress, in 2000–04 and played an integral role in developing and implementing the framework used in the first official estimates of the macroeconomic effects of changes in U.S. tax policy by the Joint Committee on Taxation. In addition, he was a contributing author to numerous publications, including congressional testimony, by the Joint Committee on Taxation. Diamond also has served as a consultant on the efficacy of structural adjustment programs to the World Bank.

### Mamoun Fandy, PhD

Mamoun Fandy is the Diana Tamari Sabbagh Fellow in Middle Eastern Studies. Prior to joining the institute, Fandy was a senior fellow at the United States Institute of Peace, a professor of politics at Georgetown University, and professor of Arab politics at the Near-East South Asia Center for Strategic Studies at the National Defense University.

His research focus is the politics of the Arab world, media and politics, terrorism and radical Islamic politics, and regional security issues in the Middle East. He is the author of *Saudi Arabia and the Politics of Dissent* (NY: St. Martin's Press, 1999). This book is considered by both the academic and policy communities to be the authoritative work on Islamic terrorism and violence inside and outside Saudi Arabia. Fandy also wrote *America and the Arab World After September 11th* (Arabic) (Cairo, Egypt: Masr al-Mahrousa, 2003). His articles have appeared in the *New York Times*, *Washington Post*, *Los Angeles Times*, and more regularly in the *Christian Science Monitor*. He is a columnist for the two largest pan-Arab dailies: the Cairo-based *Al-Ahram* and the London-based *Asharq Al-Awsat*.

### Vivian Ho, PhD

Vivian Ho is a Research Fellow in Health Economics and jointly holds the Baker Institute Chair at the Baylor College of Medicine. She also holds associate professor appointments with both institutions in the Department of Economics. Ho received her AB in economics from Harvard University, a graduate diploma in economics from the Australian National University, and a PhD in Economics from Stanford University. She was an associate professor of medicine at McGill University and served on the faculty at Washington University in St. Louis. Most recently, Ho has been an associate professor at the School of Public Health at the University of Alabama at Birmingham. Her research examines the impact of economic incentives and government regulations on the quality of health-care. Author of numerous peer-reviewed articles in national, international clinical, and social science journals, she currently is comparing the effects of market competition versus centralization of care in cancer surgery and cardiac care. She serves on the Board of Scientific Counselors for the National Center for Health Statistics and on the NIH Health Services, Outcomes, and Delivery study section. Ho is a founding board member of the American Society for Health Economists.

Steven W. Lewis, PhD

Steven W. Lewis is the Research Fellow in Asian Studies and the program coordinator for the Transnational China Project and the Jesse Jones Leadership Center Summer Intern program. He also is a senior lecturer and director of the Asian Studies Program at Rice and a committee chair of the board of advisors of the Asia Society of Texas. Lewis received his doctorate in political science from Washington University in St. Louis. His research interests focus on the development of privatization experiments and energy policy and central-local government fiscal relations in China and other transition economies. Recent publications include "What Can I Do For Shanghai? Selling Spiritual Civilization in Chinese Cities," (Media in China: Consumption, Content and Crisis, Stephanie Hemelryk Donald, Michael Keane, Yin Hong, eds., Curzon Press, 2002), "China's Oil Diplomacy," with Amy Myers Jaffe (Survival, Spring 2002), "The Media of New Public Spaces in Global Cities: Subway Advertising in Beijing, Hong Kong, Shanghai, and Taipei," (Continuum, 2003), "Liquefied Natural Gas from Indonesia: The Arun Case Study," with Fred von der Mehden (Geopolitics of Gas, Baker Institute Energy Forum and Stanford Program on Energy and Sustainable Development), and Privatization Best Practices and Comparisons: Case Study Petrobras (Baker Institute, 2004).

Kenneth B. Medlock III, PhD

Kenneth B. Medlock III is a Research Fellow in Energy Studies and a visiting professor in the Rice economics department. He received a PhD in economics from Rice in 2000 and held the M.D. Anderson Fellowship at the institute through May 2001, organizing the major Global Warming Science and Policy conference. Medlock returns to Rice from El Paso Energy Corporation, where he was a consultant. He also served as the lead modeler for the National Petroleum Council. His research focus is energy and environmental economics and policy and macroeconomic theory. Other areas include economic modeling of the world natural gas market and studies of the relationship between economic development and the composition of energy demand and energy security and environmental policy issues. Publications include articles and book chapters on energy economics in *The Energy Journal* and *The Journal of Transport Economics and Policy*. Medlock received the "Best Paper of the Year" award from the International Association for Energy Economics for the co-authored article "Economic Development and End-Use Energy Demand," (Energy Journal, April 2001), with Rice economics Professor Ronald Soligo.

Peter Pedroni, PhD

Peter Pedroni is the Will Clayton Fellow in International Economics. He also is an associate professor at Williams College in Massachusetts and a visiting associate professor in the Department of Economics at Rice. Pedroni received his PhD from Columbia University and began his career as an assistant professor at Indiana University. He also taught at Cornell University and Boston College. He worked as an economist in research departments at World Bank and the United Nations. His recent research examines why some economies succeed in maintaining persistent high growth rates while other economies lag behind. Other research interests focus on the functioning of international financial markets and the empirical techniques that researchers use to test and quantify economic ideas.

## GIULIANI

*continued from page 3*

Giuliani's fourth principle of leadership entails relentless preparation. "To be an effective leader, you need to be prepared, and you need to prepare the people who work for you," he said. "Study, learn, know what you're talking about." Anticipating various crises and other problems can help a leader react more flexibly when a challenge arises.

Relying on teamwork is a principle of leadership, too. "One of the mistakes that people who are leaders make is that they think

it's all about them," Giuliani said. "To accomplish anything complex, you need a good team." Effective leaders identify their weaknesses and balance them with the strengths of other people. They figure out the areas in which they lack experience and seek out experts to fill that void.

Giuliani's sixth principle of leadership focuses on the need for communication. "You have to be able to get your ideas from your own mind and motivate other people," he said. If the other five principles are followed, "communication becomes sharing what you know in the best

way you can do it," Giuliani said.

Overriding these six principles is a concern for people. "Maybe the most important thing about being a leader is that you love people, that you care about them," said Giuliani, who was introduced by Baker Institute honorary chair James A. Baker, III, as "one of the best-known and most admired individuals in the world today," who will forever be remembered as "Rudy the Rock."

Mr. Giuliani's visit was made possible by the Honorable and Mrs. Hushang Ansary and the Shell Distinguished Lecture Series.

## SOLAR ENERGY

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in Israel, California Institute of Technology, Swiss Federal Institute of Technology, University of Houston, and Rice University participated in the program.

Nobel laureate Richard Smalley, University Professor, the Gene and Norman Hackerman Professor of Chemistry, and professor of physics, was the key organizer of the conference and is a leader of the university's effort to find meaningful breakthroughs in energy science. "What is needed in U.S. energy science is a vast effort capable of providing a new nontraditional source of energy that is at least twice the size of all worldwide energy consumed today and have it readily available by the middle of the 21st century," he told conference attendees.

Topics discussed included the state of the solar industry; a rationale for renewable energy; the economics and public policy of solar-derived energy; the science and technology of photovoltaic, thermal, and photocatalytic systems; and the potential of new materials to advance the science of solar power. Two more work-

shops will address the potential of nanoscience to make revolutionary contributions to the technology of future electrical grids and hydrogen fuels.

For more information and to access workshop presentations, visit [http://cohesion.rice.edu/centersandinst/cnst/conference\\_energy.cfm](http://cohesion.rice.edu/centersandinst/cnst/conference_energy.cfm).

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*"What is needed in U.S. energy science is a vast effort capable of providing a new nontraditional source of energy that is at least twice the size of all worldwide energy consumed today and have it readily available by the middle of the 21st century."*

—Richard Smalley

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# ISRAEL/PALESTINE

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trilateral engagement among the Israelis, the Palestinians, and the international community.

Titled “Disengagement and the Road Map: Getting from Here to There,” the workshop focused on Israeli Prime Minister Ariel Sharon’s disengagement plan, which, if properly shaped and managed, could lead back to direct Palestinian–Israeli negotiations and contribute to making the road map work and realizing the two-state vision.

Some of the key preliminary recommendations deal with economic rehabilitation and development, security, and third-party presence and monitoring. Workshop participants will continue their deliberations under the aegis of the Baker Institute. They hope to finalize their recommendations soon and present them to policymakers.

Edward P. Djerejian, director of the Baker Institute and a former assistant secretary of state and U.S. ambassador to Israel and Syria, hosted and chaired the workshop. He commended the work of the participants and their preliminary near-term and long-term recommendations for action.

William Burns, assistant secretary for Near Eastern Affairs, U.S. State Department, spoke during one session on the U.S. administration’s approach to the Sharon initiative and the road map and talked informally with the participants on the issues under consideration during the workshop.



*Members for session two of the Israel/Palestine Workshop gather for a group photo in Sharm el Sheikh.*

Workshop participants included:

- Samih Abid, deputy minister, Ministry of Planning, Palestinian National Authority
- Dagobert Brito, the George A. Peterkin Professor of Political Economy and a Baker Institute Scholar, Rice University
- David Brodet, chair of the board of directors, Hadassah Medical Organization, and economic consultant
- Shlomo Brom, senior research associate, Jaffee Center for Strategic Studies, Tel Aviv University
- Yaser Dajani, policy advisor on security, Negotiations Support Unit, Negotiation Affairs Department, Palestine Liberation Organization
- Munther Haddadin, consultant, courtesy professor, Oregon State University
- Yair Hirschfeld, director general, Economic Cooperation Foundation, Tel Aviv, Israel
- Arthur Hughes, director general, Multinational Force and Observers, and former U.S. ambassador to Yemen
- Jean-Paul Jesse, former ambassador of the European Union to Israel, Algeria, Sudan, and Kenya and former head of the European Commission Department on Middle-Eastern Affairs
- Amnon Lipkin-Shahak, chair of the board of directors, TAHAL Group
- Norman Olsen, counselor for political affairs, U.S. Embassy, Tel Aviv
- Jibril Rajoub, national security advisor to the president, Palestinian National Authority
- Dov Sedaka of the Economic Cooperation Foundation, Tel Aviv, Israel
- Khalil Shikaki, director, Palestinian Center for Policy and Survey Research, Ramallah
- Jill Sinclair, special coordinator for the Middle East Peace Process, Canada
- Michael Sternberg, director general’s representative in Israel, Multinational Force and Observers
- John Wetter, senior country economist, West Bank and Gaza, The World Bank

The final recommendations from the workshop will be published on the Baker Institute’s website, <http://bakerinstitute.org>.

# AMERICAS

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States. Through roundtable discussions and lectures held September 30 through October 3, the participants were able to trade ideas and establish a network of resources.

This year's project included a panel of experts hosted by the Baker Institute and Amigos de las Americas, a Houston-based nonprofit organization that provides leadership training and international volunteer service opportunities for high school and college students to promote public health, education, and community development.

Luis Giusti, senior advisor at the Center for Strategic and International Studies, spoke of the success of civil society in Latin America. He said that civil society's ability to act is the answer to addressing concerns the government overlooks. "In a democracy, society needs ways to organize their interests outside the government."

On the other hand, Giusti viewed international civil society in a different light. He explained the minimal international success by examining the issue of proximity. "We see problems very closely when they are in the microworld, but not in the macro world even if it will affect us soon." In other words, international issues such as global warming are too large in scope for substantial action to be taken locally.

Muni Figueres, a former

Inter-American Bank executive and Costa Rican trade minister, described the state as an enormous usurper of the roles of civil society. "The state assumes all sorts of functions that, over time, it cannot perform, and civil society jumps in to fill the vacuum," Figueres said. "Yet civil society has not stepped up to the plate to the extent that would provide vitality."

Though according to Figueres, civil society organizations have not met their full potential, they still "deepen democracy whether they mean to or not. They foment the questioning of the system and empowerment of the people who did not think they could change the system before." Ending on a hopeful note, Figueres called the growing network of such organizations "an emerging system of capillaries that will circumvent the globe."

J. Phillip Samper, co-founder of Gabriel Venture Partners and former president of Sun Microsystems, explained why—even though half a trillion dollars sit in corporate coffers—corporations remain reluctant to fund social needs.

According to Samper, economic forecasting has become increasingly more difficult in the past 10 years due to what he called "a more chaotic world." From recent scandals and their resulting lawsuits, to legislation that requires the chief executive officer to sign off on top fiscal numbers from all offices around the world, to stock price sensi-

tivity, Samper pointed out that corporations face greater responsibilities on all fronts. With these challenges in mind, he reminded community development organizations seeking financial support to understand the particular needs of the corporations they approach.

Paul Sully, project director of the Youth Trust and former Peace Corps staff member and volunteer, discussed the importance of youth participation in building a stronger civil society. Sully pointed out youth's natural tendency toward justice. "Just as flowers turn towards the sun," he said, "young men and women turn to the concept of fairness."

According to Sully, the fact that adults are taken more seriously than youth leads to the younger generation's nonengagement in the community. In light of that, "programs aimed at youth need to listen more and provide training and opportunities for youth to develop their voice," he said. Amigos de las Americas' programs achieve this goal and foster youth participation in Latin America and the United States. "Youth participation," Sully said, "is a way to teach and learn democracy."

The Americas Project was made possible by the *Houston Chronicle* and the Strake Foundation.



# GEOPOLITICS

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representatives of private energy companies, and academicians from around the world attended the session.

“Natural gas has grown from a marginal fuel consumed in regionally disconnected markets to a commodity that is transported across great distances for consumption in many different economic sectors,” Jaffe said. “Gas consumption is projected to grow in nearly all world regions, with the largest absolute increases in gas use in North America and Europe and rapid growth in new markets such as China, South Asia, and Latin America,” she added. “The growing importance of natural gas imports to modern economies will force new thinking about energy security.”

James Mulva, president and CEO of ConocoPhillips served as the opening keynote speaker for the conference and discussed the important role of private industry in development of world natural gas resources and the challenges to ensure that the United States has diversified import facilities to meet rising demand for imported natural gas in the coming years.

Other keynote speakers included Peter Hughes, vice president for strategy and portfolio, BP Gas, Power, and Renewables; Philip Dingle, president, ExxonMobil Gas and Power Marketing Company; Francisco Xavier Salazar Diez de Sollano, chair, Energy Commission, Mexican Chamber of Deputies;

Steven Lowden, senior vice president for business development/integrated gas, Marathon Oil Corporation; and Chakib Khelil, minister of energy and mines, People’s Democratic Republic of Algeria. Bruce Kiely of Baker Botts spoke about the key policy and political issues facing LNG project development while industry experts Edward Morse and James Jensen closed the conference with observations about the future geopolitics of international gas markets.

Study findings presented during sessions covered such topics as the politics and economics of new major gas export projects, market shocks and gas supply security, the changing structure of the world gas market, and political and institutional consequences of major gas investments. Study and conference sponsors included Baker Botts L.L.P., BP, Electric Power Research Institute, the Honorable and Mrs. Hushang Ansary, and the Baker Institute Energy Forum.

Study findings include four broad conclusions that apply to the assumed shift to greater reliance on natural gas:

- An integrated global gas market will emerge, in which events in any individual region or country will affect all regions.
- The role of government in natural gas market development will change dramatically in the coming decades.
- The rising geopolitical importance of natural gas implies growing attention to supply security.

- The rapid shift to a global gas market will depend on creating the context in which investors will have confidence to deploy vast sums of financial capital.

Minister Khelil suggested in a luncheon keynote address that natural gas would be regarded as “a first-choice energy for the 21st century.” Khelil warned that abandonment of long-term gas contracts could be harmful for all parties by triggering “international tensions.” “Some gas-importing countries that in the past were more in favor of supply security are now regarding flexibility as an important management principle of the gas industry without consultation with the producers,” he noted. “Therefore, long-term gas contracts that ensure security of supply are sometimes questioned and sometimes favorably regarded, but they are not openly stated by the advocate of immediate and full liberalization.”

Khelil went on to say that a competition between gas producers may deprive them from a fair price and may lead to investment decline. He added that competition between importing countries for access to gas supply that may unbalance the market.

A full copy of the joint Baker-Stanford study is available at [www.rice.edu/energy](http://www.rice.edu/energy).

## EMIR

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ing thereby that peace will not be achieved without achieving reform.

“These are two divergent focal points. It is my belief that debate on which of them is more cogent will lead us nowhere. It will rather delay the process of both reform and settlement. I also think that the capability and vast potential of the world are too extensive to be put in parallel with this parochial comparison between two propositions that would not substitute one another since they are complementary and collateral options. The accomplishment

of one of them may precede the other for some time, but they are integral parts of one another, and none of them could be fully achieved without the other.

“The Middle East’s lot of challenges does not stop at the questions of reform and Palestine but rather includes new crises that exert huge pressure on its different parts. For example, there is the daily explosive situation in Iraq, and the Sudan is striving hard to preserve its territorial integrity and sovereignty, and the Fertile Crescent teems with inflammable situations from time to time.

“Such crises make the region fraught with danger. It makes the

people of the region feel that they are besieged from all sides. This is where the actual danger lies, for the international dealing with these threats and concerns may repeat the same mistakes of the past. It is, therefore, necessary that we revise the shortcomings of the existing relations between the Middle East and the international order and tend to remember and revive once again the positive legacy that once linked this region with the rest of the world. We can re-employ this legacy to promote and encourage the achievement of serious reform in this vital region of the world.”

## VOLUNTEERISM

*continued from page 23*

if I have an idea that I think is right,” Jaffe said.

The group adopted that idea, and afterward, the intern commented that she couldn’t believe the men listened to her and took her advice.

“That bothered me that she even noticed that,” Jaffe said.

“That bothered me that that should even be an issue. It should be that there were 15 people in that room, and one of them had a good idea.

“Assert your right,” Jaffe said. “It is important for you to be a presence. By setting your own example and behaving that way, you give other people the confidence to be active.”

According to Morrison, in the

2000 election, more than 20 million women who were eligible to vote did not. More than 15 million weren’t even registered to vote. “Our voices were not heard on issues of importance: education, healthcare, economy, environment, social security, and on and on and on,” she said. “Make your voices heard.”

## CHINA

*continued from page 15*

International Studies in Shanghai in 2005.

Lewis, who is a research fellow at the Baker Institute and director of Asian studies, is joined in directing The Transnational

China Project by Richard Smith, the George and Nancy Rupp Professor of Humanities and professor of history at Rice University. The project examines how the circulation of people, ideas, values, and technologies among Chinese societies affects contemporary Chinese culture.

Reports, transcripts, audio files, and extensive image archives from workshops and public lectures can be found on the project’s award-winning, bilingual website, <http://www.ruf.rice.edu/~tnchina>.

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