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U.S. FOREIGN POLICY & PRESIDENTIAL ELECTIONS

With “bipartisan consensus” long gone, foreign policy may decide who will be our next president on November 2



BY COIT D. BLACKER

That foreign policy issues will “play” in the upcoming presidential election goes without saying. The more interesting questions are, how and with what effect?

In an effort to get at this issue in an analytically satisfying way, I would like to pose two central questions: First, when and under what conditions has foreign policy impacted previous presidential elections, with particular reference to the period since the end of World War II? And second, how is the debate over foreign policy likely to influence events this time around?

Before turning to these issues, though, I want to debunk the notion that foreign policy, unlike domestic policy, is somehow “above politics”—or, if it’s not, that it should be.

Lest there be any doubt about this—that foreign policy is, and should be, as political as domestic policy—look closely at how the founding fathers divided responsibility for the conduct of this country’s international relations among the three, coequal branches of government. The executive, to be sure, has day-to-day charge of U.S. diplomacy; it also wages the wars this country fights and negotiates treaties on behalf of the federal union.

But it is Congress that appropriates the money, both to preserve the peace and to fight the wars; confirms, or doesn’t confirm, the diplomats, cabinet secretaries, and senior officials the president nominates; and approves or disapproves the most important international agreements to which the U.S. is a party. CONTINUED ON PAGE 8

Has Japan Finally Recovered?

Many analysts have concluded that Japan has finally snapped out of its slump of nearly 15 years, writes Daniel Okimoto, SIIS senior fellow and leading Japan scholar, in an analysis of Japan’s economy today. Based on many recent economic indicators, he thinks that the Japanese economy appears not only to be back on track but also picking up steam.

Okimoto points to what he calls the “China factor”: the boost to Japan’s economy from the recent rise in external demand, driven by China. Japanese exports to China have jumped by 21.4 percent, accounting for more than a quarter of Japan’s recent growth. Notably, Japanese exports to the United States last year fell by 7 percent. China, clearly, has become a major factor in Japan’s recovery and growth.

As long as the boom in China continues, Japan might be able to sustain a sufficiently robust rate of growth to scale back the gargantuan size of its non-performing loans (NPLs) and to resuscitate some of its ailing banks and financial firms.

Many of Japan’s export-oriented corporations have undergone substantial reforms. However, the non-export and public sectors, largely insulated from market pressures, have failed to undergo similar reforms. Many companies that are de facto bankrupt remain in existence, thanks to the protection and subsidies provided by the government, led by the Liberal Democratic Party (LDP). Equally worrisome, Okimoto continues, is the Japanese political system’s embedded resistance to adaptation and change.

Still, the recent rebound in leading economic indicators provides much-needed hope and some momentum for Japan’s long-term recovery. Japan may indeed be pulling out of its economic quagmire, writes Okimoto. ■ FOR COMPLETE ARTICLE, SEE PAGE 2

Climate Change: Our Most Serious Threat

There is no shortage of pressing problems in the world, but the most serious threat to our world is the steadily growing body of evidence for a major reorganization of the global climate regime, writes Donald Kennedy, SIIS senior fellow, by courtesy, and one of the nation’s preeminent experts on global warming and climate change.

What we must find, he writes, are ways to limit the damage to manageable levels, not preserving the status quo. We can’t count on voluntary actions, and the United States so far has only announced a long-range research program that, although it looks reasonable, makes no current commitments to mitigate the huge U.S. contribution to the global warming problem. We must have a more aggressive national policy to purchase insurance against this risk—and it will not be cheap.

The United States is in a position of natural leadership here. It is the most powerful nation—and the world’s leading producer of greenhouse gases. Plainly it is in its own national interest, in multiple ways, to reduce its consumption of fossil fuels. To see it failing in this most vital, globally sensitive matter is a national embarrassment, concludes Kennedy. ■ FOR COMPLETE ARTICLE, SEE PAGE 5



Has Japan Finally Recovered?

BY DANIEL I. OKIMOTO

“The Japanese economy appears not only to be back on track, but also picking up steam.”



MANY ANALYSTS HAVE CONCLUDED THAT JAPAN has finally snapped out of its slump of nearly 15 years. GDP growth in the first quarter of 2004 surged by 6.1 percent, following a 4 percent growth in the fourth quarter of 2003. Industrial production is up sharply. Consumer spending has risen. Capital investments are picking up. Exports have expanded substantially since 2002, especially to China. Corporate profits have rebounded. Unemployment has fallen to 4.7 percent. The Nikkei Stock Index has climbed back up above 11,500. And foreign reserves have hit record highs, exceeding \$800 billion. Based on these indicators, the Japanese economy appears not only to be back on track, but also picking up steam.

THE CHINA FACTOR

Japan's economy received its biggest boost from the recent rise in external demand, driven by China. Japanese exports to China have jumped by 21.4 percent, accounting for more than a quarter of Japan's recent growth. Japanese manufacturers are shipping autos and auto parts, industrial machinery, communications equipment, flat-panel displays, cell phones, and a variety of electronic components to China. The lion's share of exports consists of intermediate goods and capital equipment destined for Japanese subsidiaries and joint ventures operating inside China. Here is a case of "intra-company trade," where exports follow the demand-pull of overseas direct investments. Moreover, if capital investments in Japan geared for China also are factored into the equation, roughly half of Japan's recent growth spurt can be attributed to the boom in Chinese demand. Notably, Japanese exports to the United States last year fell by 7 percent. China, clearly, has become a major factor in Japan's recovery and growth.

As long as the boom in China continues, Japan might be able to sustain a sufficiently robust rate of growth to scale back the gargantuan size of its nonperforming loans (NPLs) and to resuscitate some of its ailing banks and financial firms. But until recently, Japan has run sustained trade deficits with China. Will Japanese trade with China slip back into deficit? The key question is whether China's economy can sustain its buoyant economic expansion. It has had an unusually long run of uninterrupted growth. Is it possible that its economic machine will overheat? How serious is the overhang of NPLs in China? Might sociopolitical unrest at home or international security crises slow the Chinese economic juggernaut?

SLACK CONSUMER DEMAND

Aside from uncertainties in external demand, the problem bedeviling Japan's economy is one of long standing: tepid consumer confidence and slack consumer demand. Since

the end of the Pacific War, Japanese households have tended to save a high percentage of disposable income. To offset weak aggregate demand, the Japanese government has had to step in and prime the fiscal pump. Until the bubble burst between 1990 and 1991, Japanese corporations also took up the slack by making massive capital investments of 16–20 percent of GDP. Japanese exporters did their part by ringing up sizeable surpluses in merchandise trade.

Such demand-stimulating measures, designed to keep Japan from falling into a deep depression, have bumped up against hard constraints. Sustained public spending has led to soaring cumulative deficits, exceeding 150 percent of GDP and casting a cloud over Japan's prospects for full recovery. Aggressive capital investments have generated vast plant overcapacity and excessive inventories. Mounting merchandise trade surpluses have engendered political tensions with trade partners. Moreover, ballooning current account surpluses have placed relentless upward pressure on the

yen-dollar exchange rate, causing the yen to appreciate and the value of Japan's massive dollar holdings to erode. The key to Japan's full recovery, accordingly, is to restore consumer confidence and to stimulate private-sector spending. With the rapid aging of the population, the rate of household savings in Japan as a percentage of disposable income has fallen steadily from 14 percent in 1991 to 6 percent in 2003.

PERSISTENT PROBLEMS

The danger of relying solely on leading economic indicators is that they overlook many of the serious structural problems that Japan has failed to resolve over the past 15 years. Among the most daunting and difficult are the following:

- NPLs estimated to be anywhere from \$500 billion to \$1 trillion
- The projected need for hefty capital infusions to restore health to the banking and financial services sector
- Costly inefficiencies in protected, subsidized sectors of the domestic economy, such as transportation, construction, agriculture, distribution, health care, and the financial services
- Historically low interest rates still hovering around zero
- An onerous burden of debt-servicing once interest rates start to climb back up
- The coming crisis in pensions, health care, and welfare funding
- An aging labor force with an acute shortage of workers under the age of 40
- Poor transparency and political accountability and an uneven pattern of financial and economic reform
- Concerns about Japan's ability to move up the ladder of higher value added in keeping with shifting comparative advantage; with South Korea and China closing fast from behind, can Japan compete in advanced high technology?

Many of Japan's export-oriented corporations have undergone substantial reforms. They have bolstered corporate efficiency, international competitiveness, and bottom-line profitability. However, the non-export and public sectors, largely insulated from market pressures, have failed to undergo similar reforms. Many companies that are de facto bankrupt remain in existence, thanks to the protection and subsidies provided by the government, led by the Liberal Democratic Party (LDP). Such companies are analogous to an elevated cholesterol count for an economy still recovering from a stroke.

Equally worrisome is the Japanese political system's embedded resistance to adaptation and change. As long as LDP leaders prioritize their own near-term reelection more highly than Japan's long-term economic well-being, as long as powerful interest groups lobby to maintain the status quo, and as long as mandarin bureaucrats act to protect their narrow bureaucratic interests, the Japanese economy probably will stumble along at suboptimal levels of growth. While the recent rebound in leading economic indicators—attributable largely to the bounce in Chinese demand—provides much-needed hope and some momentum for Japan's long-term recovery, the government's failure to deal with so many serious structural problems suggests that one should be cautious about rushing to premature judgment.

In 1995–96, Japan's economy experienced a similar surge, growing by an impressive 4 percent and prompting many analysts to proclaim an end to the country's persistent recession. Less than a year later, the Asian financial crisis hit. Several well-established Japanese financial institutions went bankrupt, Japan fell into a vexing liquidity trap, NPLs metastasized, and growth rates tumbled into the negative zone.

Today, the situation is different. Chances are good that China will maintain its robust expansion—though perhaps not on a smooth straight-line trajectory. As Japan's population ages, its savings rate is falling. The upturn in economic indicators suggests that Japan may indeed be pulling out of its economic quagmire. But Japan still faces a daunting array of structural problems that will demand attention as the country moves, haltingly, toward recovery and new high-technology niches. ■

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“Many policymakers and scholars argue that the international security architecture is outmoded...but [it] is actually reasonably well suited to responding to these modern threats. Instead of working to develop a new security architecture, I argue for a renewed commitment to the existing regime.”

ALLEN S. WEINER IS THE WARREN CHRISTOPHER PROFESSOR OF THE PRACTICE OF INTERNATIONAL LAW AND DIPLOMACY AT THE STANFORD LAW SCHOOL AND SIIS.

ALLEN S. WEINER ON LAWS AND INTERNATIONAL SECURITY

Q. WHY IS TODAY'S INTERNATIONAL SECURITY ARCHITECTURE QUESTIONED?

A. In the last 10 years, we have witnessed the emergence of major new threats to international security: terrorism by non-state actors, the spread of weapons of mass destruction (WMD) to rogue states, and widespread humanitarian abuses within countries, which traditionally was not a matter of concern to the international community. In response to these threats, many policymakers and scholars argue that the international security architecture is outmoded. They contend we need to develop new doctrinal rules or new institutional arrangements to confront today's new threats.

In contrast, in my current project I argue that the existing international security architecture is actually reasonably well suited to responding to these modern threats. Instead of working to develop a new security architecture, I argue for a renewed commitment to the existing regime.

Q. WHAT IS THE EXISTING INTERNATIONAL SECURITY ARCHITECTURE?

A. The basis is Article 2(4) of the United Nations Charter, which forbids the use of force between states. However, there are exceptions to this rule; the drafters of the Charter, working amidst the ashes of World War II, knew that simply declaring the use of force illegal was not going to work.

The first exception to the prohibition on the use of force is the right of self-defense under Article 51. But the threshold is that self-defense is permissible only where an “armed attack” has occurred. This was a serious limitation on the doctrine of self-defense as it existed before adoption of the Charter.

The second exception is “collective security,” under which the UN Security Council can respond to threats to the peace, breaches of the peace, or aggression. Use of force under this authority is a collective matter, not an individual right. It requires unanimity among the five permanent members of the Security Council because each of them can veto proposed Council resolutions. Unlike self-defense, collective security can be invoked merely in response to threats to peace, even where no armed attack has occurred. The Council has virtually unfettered discretion to determine what qualifies as a threat to international peace and security.

Q. HOW DO U.S. ACTIONS OF LATE FIT INTO THIS INTERNATIONAL SECURITY ARCHITECTURE?

A. There are three recent major United States uses of force, all of which were—in terms of legal bases—unilateral: Afghanistan, Iraq, and Kosovo.

In Afghanistan, the U.S. acted in response to the September 11 attacks. The events of September 11 qualified as “armed attacks” and accordingly justified the exercise of the right of self-defense under Article 51. However, our response was directed not only at Al Qaeda, but also against the Taliban regime, which was effectively

the government of Afghanistan, and against the territorial integrity of Afghanistan. Although the Taliban regime breached obligations under international law not to harbor terrorists on its territory, it did not attack the United States. So there is a difficult asymmetry in the law: on one hand, the United States had the right to use force in self-defense; on the other, the government of Afghanistan—insofar as it did not carry out the September 11 attacks—should not have been subject to having force used against it. This is why many commentators claim we need to modify international law to permit the unilateral use of force against countries that shelter terrorists.

Iraq represents the threat posed by the acquisition of WMD by dangerous states. In this regard, the Bush administration has proposed another change to international law by advocating for a right of “preemptive self-defense,” not only in response to an actual armed attack but also to the threat of attack. In this view, the graver the threat posed by an adversary, such as its acquisition of WMD, the more flexibility a state has to use force prior to an actual armed attack. The danger with this doctrine, of course, is that it allows for both mistaken and bad-faith uses of force. It potentially leads to more frequent and destabilizing uses of force.

In Kosovo, there was neither a self-defense justification nor Security Council authorization for the use of force. As a result, some who favor the unilateral use of force to suppress widespread internal human-rights abuses argue for a doctrine of “humanitarian intervention.” Rwanda is frequently cited as a case where this doctrine could have been used had the international community endorsed it. However, this doctrine, too, can easily be misused by states.

Q. AS TO COLLECTIVE SECURITY, HOW DOES THE UN SECURITY COUNCIL FUNCTION TODAY?

A. The Security Council, I think, is actually better suited to addressing today's security threats than it was to the security threats of the post-World War II era. There's no reason for the gridlock from the Cold War to apply to these contemporary threats. And Security Council action provides a much better legal basis for the use of force than the novel unilateral use of force doctrines that some policymakers and commentators are advancing.

The key, as I see it, is that the interests of the Permanent Five members of the Security Council are aligned on the contemporary security threats. All five are threatened by terrorism and have an interest in preventing countries from harboring terrorists. Similarly, none of the P-5 favors the proliferation of weapons of mass destruction. Countries that acquire such weapons can be difficult to control: you cannot control further proliferation—as the A.Q. Khan network in Pakistan shows—and there is a danger of counterproliferation. A prime example is China's response to the Korean nuclear crisis. Because of North Korea's unpredictability and the danger of Japanese counterproliferation, China does not want a nuclear North Korea. So we see an

increasingly common interest among the great powers in suppressing WMD proliferation.

Q. IS THERE A DANGER IN A CLOSER ALIGNMENT OF INTERESTS AMONG THE GREAT POWERS?

A. The danger is that the great powers will increasingly claim the right to intervene in the affairs of weaker states. Although this is how the UN Charter was originally designed to operate, there are legitimacy questions given the current disconnect between the composition of the Security Council and the distribution of population and power in today's world.

Q. WHAT DOES THIS MEAN FOR THE U.S.?

A. The U.S. must be willing to recognize that its partners, even if they agree in principle about the contemporary security threats, may disagree about the nature of a particular threat and the tactics to employ in response. In the Iraq case, there was agreement on principle that Saddam with WMD was a threat, but not on the evidence as to whether Iraq had such weapons. And now, a year later, it looks like the UN, and not the U.S., was right about the degree of threat Iraq represented.

Now, if the Iraq intervention had been a great success, the U.S. unilateral approach would have been vindicated. But because it has gone badly, the U.S. recognizes that it must work collaboratively with its partners. The Europeans, Russians, and Chinese also have a strong interest in proving that collective security can work. Given this increasing convergence of interests between the great powers, we should focus policy and diplomacy on making better use of the existing legal framework, not trying to create new, highly problematic, doctrines for the use of force.

Q. WHAT IF A COUNTRY IGNORES THE UN AND ITS CHARTER?

A. There's always a risk that a state will disregard international law and opt for unilateral action. But rejecting the international security architecture in this way leads the international community into the wilderness, and leaves us with no rules on the use of force. The UN Charter system is not perfect, but the alternative is a dangerous regime, such as existing in the 19th century, in which any state can invoke the right to use force when it believes its rights or security interests are affected. Because of its desire for global stability, it is in the U.S. interest to have a legally regulated regime for the use of force.

Q. WHAT ARE THE LESSONS TO BE LEARNED?

A. There are two key lessons: First, the U.S. cannot carry out a global security agenda unilaterally. But second, we don't really need to. Because the P-5 share common interests in responding to modern security threats, there's no reason to assume Security Council gridlock. I hope the Bush administration has learned that it cannot go it alone, and that the U.S. should return to the collective security regime. ■

Nuclear Nonproliferation, Not Just Deterrence, Should Inform U.S. Nuclear Posture

BY CHRISTOPHER CHYBA



NUCLEAR DETERRENCE IS AN IMPORTANT COMPONENT of the overall security strategy of the United States. But deterrence is not the only consideration that should determine the size and shape of U.S. nuclear forces. We must also consider the crucial goal of preventing further proliferation of nuclear weapons, including their spread to non-state groups. In this context we must ask whether U.S. research into certain new types of nuclear weapons might damage our non-proliferation objectives. The Bush administration has concluded that the answer is no.

The administration's argument is contained in some detail in the March 2004 report sent to Congress by Ambassador Linton Brooks, administrator of the National Nuclear Security Administration, from the Secretaries of State, Defense, and Energy, titled "An Assessment of the Impact of Repeal of the Prohibition on Low Yield Warhead Development (PLYWD) on the Ability of the United States to Achieve Its Nonproliferation Objectives." The document argues that research into new weapons is needed to bolster deterrence: "A key strategic goal of the United States is to deter aggression: deterrence is in the eye of the adversary leadership and involves its perception of both the capability and will of the United States to respond to aggression... In seeking... to minimize any misperceptions about U.S. capabilities or resolve, it is prudent, as called for in the NPR ["Nuclear Posture Review"], at least to explore whether there are ways to provide the nuclear weapons stockpile with capabilities more appropriate for deterring 21st century threats in such areas as precision delivery, reduced collateral damage, earth penetration, and agent defeat."

THREE RESPONSES

At the same time, the Secretaries conclude that repeal of Congress' prohibition on low-yield warhead development will have no appreciable impact on proliferation: "Repeal of PLYWD is unlikely to increase incentives for terrorists to acquire WMD (weapons of mass destruction)—those incentives are already high and are unrelated to U.S. nuclear (or conventional) defense capabilities. Nor is it likely to have any impact on rogue state proliferation, which marches forward independently of the U.S. nuclear program. Indeed, there is no indication at all that very significant reductions in the numbers of U.S. (and Russian) nuclear weapons, and in the alert levels of nuclear forces, over the past decade, coupled with *no* U.S. nuclear testing and *very*

little U.S. nuclear modernization, has caused North Korea or Iran to slow down covert programs to acquire capabilities to produce nuclear weapons..."

The Secretaries conclude that U.S. nuclear weapons restraint *doesn't* lead to restraint on the part of other countries, so by restraining ourselves from research and development of low-yield nuclear warheads the nation would be failing to buttress its deterrence capability, while also reaping no benefit from that restraint. Three responses to these claims should be considered.

The first is a caution. It concerns the induction from the claim that U.S. nuclear weapons policy in the past has not caused a proliferation train wreck to the conclusion that no such train wreck will occur in the future. Policymakers need to think carefully about where the threshold for a train wreck in the nuclear Non-Proliferation Treaty (NPT) might be. In 1995 and 2000, the United States pledged to pursue its obligations under the treaty by taking further steps toward capping and reducing nuclear arms; some view the development of new types of nuclear weapons for deterrence as a departure from those commitments. Is there a point at which non-nuclear weapons states party to the NPT will respond by withdrawing from their commitments?

I'll call my caution, grimly, the Space Shuttle Columbia warning. On the shuttle's last flight, fast-moving frozen foam damaged its left wing on launch, leading to the shuttle's destruction and the loss of its crew during reentry. Previous shuttles had encountered smaller, less critical foam impacts. NASA had begun to think of them as no cause for alarm. Over and over, it seemed that foam strikes did not cause a train wreck. But it was in fact only a statistical question of when disaster would result. Are we in an analogous situation with the NPT?

This question would matter less if the prospects of a world without the NPT were of less concern. But the United States has learned in Iraq that preventive war is unlikely to be a solution that we can apply serially to proliferators of WMD. We cannot afford a world with a large number of such threats. Instead, one of our highest priorities must be to prevent that world from arising.

My second reply to the administration's nuclear policy arguments has to do with negative security assurances, or nuclear non-use pledges. Such assurances, first made by the United States in 1978, are included in the 1995 extension of the NPT.

The Bush administration's 2001 Nuclear Posture Review weakened these assurances. According to leaked

excerpts, the NPR named a number of non-nuclear weapons states of concern to the U.S. as countries that could be involved in the kind of "contingencies" that needed to be considered when setting nuclear strike capabilities.

Statements like these send a message to the named countries—and to others—that they may risk nuclear attack by the United States. The development of new nuclear weapons whose use is intended to seem more credible will only reinforce this image. If security threats are a key driver for nuclear proliferation, U.S. nuclear weapons policy should recognize that countries' perceptions of U.S. intentions may be an important factor in these calculations.

My final caution concerns the lack of utility of deterrence in the context of terrorism. Just as U.S. nuclear weapons policy will have little if any impact on terrorist motivations, so will putative gains in deterrence.

Terrorists are most likely to get nuclear weapons through three means: (1) deliberate state transfer of nuclear weapons—clearly a very high-risk decision for any state; (2) weapons transfer due to insufficient internal state security; and (3) a coup or state collapse followed by an extremist group taking control.

WRONG CALCULATION

Deterrence will only influence the first of those possibilities. Preventing all three requires that we minimize the number of states in a position to provide nuclear weapons to terrorists. The trade we are being asked to make in developing new nuclear weapons is to choose some small, difficult-to-quantify improvement in the credibility of our nuclear deterrent against adversarial states, at the cost of a difficult-to-quantify risk that we add to security pressures that convince potentially adversarial states to pursue nuclear programs. Is this the right trade?

I don't believe so. Rather than updating an obsolete nuclear force structure from the Cold War into the 21st century, proposals to develop new small nuclear warheads in fact propagate an out-of-date view that favors improving deterrence incrementally against state use of WMD over minimizing, perhaps also only incrementally, the risk of proliferation—and the risk that terrorist groups could acquire these weapons. It's the wrong calculation. ■

CHRISTOPHER CHYBA IS CO-DIRECTOR OF CISAC. THIS ARTICLE IS ADAPTED FROM HIS REMARKS AT THE JUNE 2004 CARNEGIE INTERNATIONAL NON-PROLIFERATION CONFERENCE.

Climate Change: Our Most Serious Threat

BY DONALD KENNEDY

There is no shortage of pressing problems in the world. There is population growth and economic development, with attending pressures on resources; a continuing global security crisis, augmented by the rise in terrorism; the chronically inequitable distribution of resources between the rich nations of the North and the poor nations of the South; and the steadily growing body of evidence for a major reorganization of the global climate regime.

Among these I believe that the last is the most serious threat—not only because it will profoundly affect the lives of our children and our grandchildren in a direct way, but also because it will interact powerfully with every single one of the other problems I have listed.

Let me begin with the science underlying climate change and a short summary of what we know.

General circulation models—climate models that take into account variations in the sun's energy, volcanic activity, and other natural phenomena—explained fluctuations in average global temperature very well over most of the past thousand years.

But for the past hundred years, these same models faithfully reproduce global temperature history only if they include the greenhouse gases—carbon dioxide, methane, and chlorofluorocarbons—that are by-products of human economic activity. That is why the average temperature of the globe has risen by about one degree Fahrenheit and the sea level has risen by between 10 and 20 centimeters in the last century. The primary causative agent is carbon dioxide, which in preindustrial times was about 280 ppm/v and has now reached 380 ppm/v. It is rising continually as the activities that produce it are proceeding on a business-as-usual basis.

The failure of the Kyoto Protocol—a failure because its targets were inadequate and unattainable by many of the participating nations—has left us without any basis for meeting the goals of the 1992 Framework Convention on Climate Change. Forgotten by many, that agreement commits the U.S., as a party, to limit atmospheric concentrations of greenhouse gases to avoid “dangerous anthropogenic interference with the climate system.”

Why, a dozen years later, is there lingering doubt about that danger? The CO₂ we add to the atmosphere will stay there; its average residence time is a century. There is no disagreement about whether average global temperature will rise; it will. The scientific debate is about how much. For the future we depend again on the general circulation models. Projecting the models, the Intergovernmental Panel on Climate Change and an evaluation by the National Academies prepared at President Bush's request estimate that by the end of this century, the increase in average global temperature will be between 1.4 and 5.8 degrees centigrade.

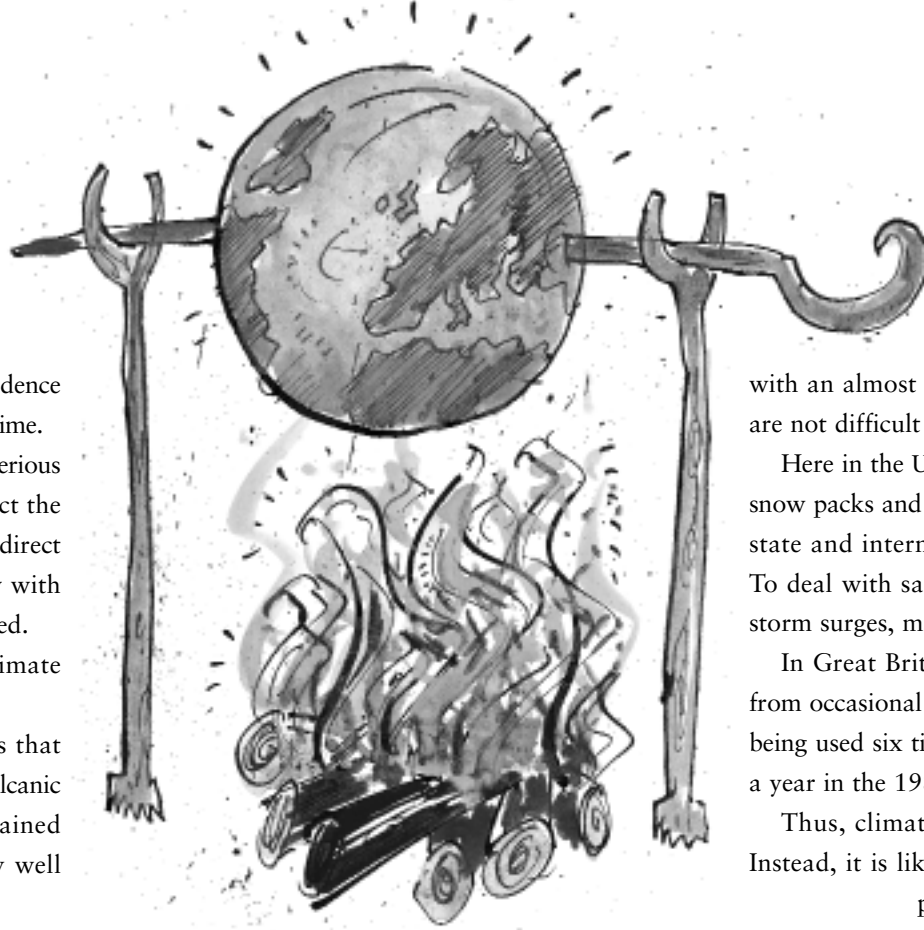
Why such a range? These models, like most, contain some scientific, economic, and social uncertainties. These uncertainties have provided arguments for those who prefer to postpone economically difficult approaches for controlling greenhouse-gas emissions.

However, even at the very lowest estimates, there will be substantial changes in the nature of human life on the only planet we occupy.

Past is prologue, and the modest warming of the past century has already produced profound changes in regional climate dynamics. Substantial ice-sheet melting and retreat is taking place both in the Arctic and in the West Antarctic ice sheet. In the Arctic, where climate warming has been extreme, sea ice is sharply diminished and rivers become ice-free much earlier. Low-latitude mountain glaciers are shrinking; the famous snow-capped summit of Kilimanjaro will be bare within 15 years, converting hundreds of old African safari shots into historic treasures. Biological cycles are experiencing the effects of warming, with upward extensions of the range of Alpine flora and advances in the time of flowering or breeding by an average of five days per decade.

The models have also predicted more frequent and severe weather events, with a steady, ramp-like increase in average global temperature and a concomitant rise in sea level.

Let's consider some collateral impacts of climate change, emphasizing a single resource: water. We looked at, for example, the impact of sea-level rise, along with storm surges from extreme weather events, on the Ganges-Brahmaputra delta, where



“The United States is in a position of natural leadership... To see it failing in this most vital, globally sensitive matter is a national embarrassment.”

flood disasters occur regularly and where 15 million people live within two meters above sea level and are vulnerable to abrupt displacement. The security problems arising from a massive inland influx of traditionally hostile populations, combined

with an almost certain high level of cholera infection, are not difficult to imagine.

Here in the U.S., warmer winters threaten mountain snow packs and will soon demand the revision of interstate and international water allocation agreements. To deal with saline intrusions due to sea-level rise or storm surges, management steps are being taken.

In Great Britain, the barrier that protects London from occasional flooding of the Thames estuary is now being used six times a year compared to less than once a year in the 1980s.

Thus, climate change is not an isolated problem. Instead, it is likely to interact with most of the other

problems humans face all over the world, and we need to prepare a sound portfolio of risk-reducing measures. These will not, I must tell you, bring us out of the woods. Our destiny is partly built in—to the heat that is already locked into our oceans, to the greenhouse gases that are already in our atmosphere and will increase by another 50 percent, or more, no matter what we do, and to the justified economic appetites of the developing world.

What we will be talking about, it

should be clear, are ways of limiting the damage to manageable levels, not preserving the status quo. The contemporary policy challenge amounts to a bet about risk: are the consequences of business-as-usual likely to entail costs greater than those of beginning to mitigate those consequences now? The UK, several EU countries, and Japan are making substantial commitments. Some corporations—British Petroleum, Royal Dutch Shell, and Swiss Re, for example—have undertaken steps of their own.

But we can't count on voluntary actions, and the United States so far has only announced a long-range research program that, although it looks reasonable, makes no current commitments to mitigate the huge U.S. contribution to the global warming problem. We must have a more aggressive national policy to purchase insurance against this risk—and it will not be cheap.

- Conversion from coal to less carbon-intensive sources will be necessary in the energy sector, and the transportation sector must be supported in its move toward ultra-low-emission vehicles;
- Some of us will have to give up our reflexive opposition to nuclear power and begin comparing its risks realistically against those of global climate change;
- Although the room for alternative energy sources (photovoltaic, wind, geothermal) is limited, these options need encouragement;
- Energy conservation measures have, at several times in the past, turned economic predictions on their head by their success, and the right incentives could yield real benefits.

We know that market-based mechanisms for emissions control can work, because they did in the 1990 Clean Air Act Amendments that limited sulfur dioxide emissions. The bill proposed by Senators McCain and Lieberman would mandate a cap-and-trade program for controlling carbon dioxide emissions. Similar systems are being considered by regional assemblages of states in the Northwest and the Northeast, and that may encourage the development of a national system—which could then build trading relationships with other nations that are moving toward similar regimes. A case for this approach is elegantly made in the Council on Foreign Relations Policy Initiative on Climate Change by my Stanford colleague David Victor.

The United States is in a position of natural leadership here. It is the most powerful nation—and the world's leading producer of greenhouse gases. Plainly it is in its own national interest, in multiple ways, to reduce its consumption of fossil fuels. To see it failing in this most vital, globally sensitive matter is a national embarrassment. ■

DONALD KENNEDY, EDITOR-IN-CHIEF OF *SCIENCE*, IS PRESIDENT EMERITUS OF STANFORD UNIVERSITY, PROFESSOR EMERITUS OF ENVIRONMENTAL SCIENCE, AND SIIIS SENIOR FELLOW, BY COURTESY. HE GAVE THIS SPEECH AT THE PEW-BROOKINGS CLIMATE SYMPOSIUM IN JUNE 2004.

Geopolitics of Natural Gas: From Today to 2030

BY MARK HAYES AND ROBERT SHERMAN

Global consumption of natural gas—a cleaner-burning alternative to coal and oil—is projected to surpass coal as the world’s number two energy resource in the coming decade, with total gas consumption expected to more than double by 2030. Plentiful reserves exist, but in the areas of highest demand—North America, Europe, and South and East Asia—the consumption of gas is expected to far outstrip indigenous supplies. A burgeoning inter-regional trade is already developing to bring gas from regions of gas abundance (North and West Africa, the Middle East, and Russia, among others) to these high gas demand regions. The growing dependence on imported supplies will move natural gas to the forefront of energy policy concerns in the coming decades and could alter the contours of international politics as new trading relationships align around major gas buyers and sellers.

On May 26 and 27, 2004, the Program on Energy and Sustainable Development (PESD) at the Stanford Institute for International Studies joined with the Energy Forum of the James A. Baker III Institute for Public Policy to co-host a major conference in Houston, Texas, titled “Geopolitics of Gas: From Today to 2030.” The conference

was the culmination of a joint two-year study by PESD and Baker Institute scholars that brought together over 200 experts from world governments, energy companies, development agencies, and research institutions to address major changes in the global gas trade and the impacts on international politics.

The conference opened with introductory remarks from former secretary of state James A. Baker III, the honorary chair of the Baker Institute, and H. E. Abdullah bin Hamad Al-Attiyah, the minister of energy and industry of Qatar.

David Victor, PESD director, and Amy Jaffe, associate director of the Energy Forum at the Baker Institute, presented the key findings of the two-year research effort, which combined historical studies of seven major gas trade projects with an advanced economic model of the world gas market that allowed the researchers to assess gas trade developments decades into the future.

The joint research effort allowed for systematic analysis of many questions that have long been a mainstay of the energy security debate in oil: will large gas-consuming countries compete to secure uninterrupted access to the world’s most prolific natural gas resources? What can the history of cross-border gas trade infrastructure investment tell us about the political, economic, and legal issues we are likely to face as we become more dependent on natural gas?

THE “NEW WORLD” OF GAS TRADE

One of the central conclusions of the PESD–Baker Institute study involves the changing role of the state in the gas trade. Victor described the trend as a shift from “the Old World of state-owned enterprises, guaranteed monopoly markets, and oil-linked pricing” toward a “New World with a greater role for private

companies, competing for customers, and with gas prices determined directly in the market.”

The changing role of the state in natural gas markets is occurring at the same time that technological change is facilitating a move toward global trade in gas. Innovation and increasing scale are forcing down the costs of projects that cool and compress the gas to a liquid for transport by ship—liquefied natural gas (LNG).

Study co-leader Jaffe noted, “Previously, gas trade projects were designed to ship gas from country A to country B, with little flexibility to adjust gas shipments for changes in demand or other market opportunities. The shift toward competitive gas markets and rising LNG trade is likely to make gas markets look increas-

necessary to become major LNG exporters. Their respective neighbors, Iran and Venezuela, have fallen aside despite decades of negotiations and abundant gas resources. The contrast between the “haves” and “have-nots” of today’s gas exporters shows that private investors demand a stable environment before sinking billions of dollars of capital into gas export projects.

Looking toward the future, the model predicts a continued dominant role for Russia as the major gas supplier to Europe and as the largest new supplier in the Far East, notably to China. However, the analysis of the internal structure of Russia’s gas business suggests that major internal reforms will be necessary to secure the massive investment needed for Russia to achieve its potential.



DAVID VICTOR OF SIIS ADDRESSES THE ENERGY CONFERENCE IN HOUSTON, TEXAS

ingly like world oil markets—with shipments moving between regions to adjust to seasonal and economic fluctuations.”

The study results suggest that with time, prices in all regional markets will be formed in a global context. Disruptions in supply or demand spikes in some regions will be moderated by market responses—but also more affected by world events.

WINNERS AND LOSERS

The economic model developed for the project uses field-level gas supply data and detailed estimates of end-use gas demand to assess how world gas trade would develop if it were driven solely by economic considerations. “Most interesting,” commented Victor, “is the substantial deviation between this ‘economics-only’ world and the actual outcomes observed in the gas business today. Based on technological and economic factors alone, Saudi Arabia, Iran, and Venezuela should be major gas exporters today. However, the sum total of these three countries’ exports in 2003 was nearly zero. Indeed, politics are a key determining factor in gas export development.”

Compared with oil projects, gas production and transport infrastructures are more capital-intensive and require longer time horizons for investors. According to the International Energy Agency, \$3 trillion in new investment will be needed to meet projected gas demand over the next three decades. The case studies highlight the importance of investment climate (e.g., “rule of law” and political stability) in mobilizing investment in highly capital-intensive gas transport infrastructures.

The project’s studies of LNG projects in Qatar and Trinidad show how these governments were able to secure the substantial foreign investment and technology

CHALLENGES TO THE “GAS VISION”?

The collaborative study also raised some challenges to the common faith that all world regions will necessarily shift to gas. Internal politics play an important role in providing a regulatory and economic context for gas consumption to increase. Building a gas market, particularly where there is little existing gas-using infrastructure, requires major capital investments in pipelines, LNG receiving

facilities, and gas-using equipment. The case studies show that historically, states have played a critical role in creating this infrastructure.

The shift to markets is blunting the state influence in pushing forward the development of gas markets. The net result of all of these changes is uncertain.

THE GAS INDUSTRY GETS POLITICAL

While the gas future is not certain country by country, the studies conclusively demonstrate that global political and economic stability will soon be of much greater relevance to the natural gas industry. Project leaders Victor and Jaffe each noted positive responses from attendees of the Houston conference. Victor remarked, “The conference provided a venue to discuss the study results with experts in the business and policy communities who often do not consider the broader political issues that will shape the future development of their industry.”

Results from the Geopolitics of Natural Gas study and presentations from the conference are available on the PESD website: <http://pesd.stanford.edu>. ■

MARK HAYES IS A RESEARCH FELLOW AND ROBERT SHERMAN IS THE PROGRAM MANAGER AT PESD.

Oil and Politics in the Caspian Sea Region

BY STEVE LEVINE



STEVE LEVINE IN THE CASPIAN SEA OIL FIELDS

JUST OUTSIDE BAKU IS A DISTRICT CALLED BIBI-HEYBAT. It's one of the Azerbaijan capital's original oil boom districts, one that delivered numerous gushers during the 19th century. It's also notable because so little has changed in the intervening years. You smell the stench of old oil, and see a horizon of the carcasses of abandoned rigs. Rainbow patterns are formed in crude floating atop huge ponds of water. A year before an enormous tide of oil revenue is to strike the Caspian Sea country, Bibi-Heybat makes one wonder whether Azerbaijan is prepared.

The issue is important, but not to be written off as simply a potential case of "Dutch disease," the corruption and mismanagement that often strikes new petropowers. For one thing, in Azerbaijan's case it's occurring under the eye of the West. For another, there is nothing uncertain about it. Unless some unexpected super-giant is discovered in the meantime, Azerbaijan has a two-decade window of opportunity, give or take a few years. That's about how much oil it has in its offshore fields. In that period, Azerbaijan must create a diversified economy that will sustain its people over the long term or, most probably, it will soar for a while and then decline back into poverty.

Azerbaijan's leadership says it understands. But so far there is little sign that it's doing much about it.

Azerbaijan, with a population of 7 million people, has three major offshore oil fields, holding an estimated 5.4 billion barrels in recoverable reserves. An oil consortium led by Great Britain's BP is developing them and plans to pump a peak of one million barrels a day. That will put the former Soviet republic in the second tier of oil-producing states, but it will create an enormous financial splash in the impoverished greater Caspian region. Already, Baku is undergoing a construction boom as the initial stages of the cash flow have struck. The city, which ascends into an oval of hills surrounding Baku Bay, is pocked with high-rises, and some purists decry the busy restoration of the Old City, noting accurately that the job on most of the buildings has been botched.

ENVIRONMENTAL NEGLECT

I'm visiting the old oilfields with an American oilman, whom at his request I won't identify. We start at Bibi-Heybat because that's where Zeynal Tagiyev, Baku's greatest 19th century oil baron, made his fortune.

A nodding-donkey oil pump numbered 3069 is squeaking up and down along with several others in the vast field abutting the Caspian. Soviet environmental neglect is well documented. But a decade after Heydar Aliyev's triumphant rise to power, and six months after his son Ilham's succession to the presidency, decades-old oil cemeteries still blotch the capital region.

We drive across the city to another old oil region called Balakhani. A man named Hafiz is standing on a dirt road, working with a five-man repair crew on another nodding donkey. In the distance are dozens more of the low-tech oil-pumping devices. Hafiz and his buddies work for the state oil company, managing 70 of the donkeys, each of which pumps about 175 barrels a day from the old field. Hafiz says he's done the job for 15 years, and earns the manat equivalent of \$100 a month. How does he live on \$100 a month? "We live poor," he replies simply.

Hafiz, in fact, is lucky. For one thing, he has a job. Second, he doesn't live in neighboring Georgia, which, because it has little energy resources, will squeeze a very few tens of millions of dollars annually in pipeline tariffs from the Azeri fields. In the Georgian capital of Tbilisi, people talk of earning \$15 or \$20 a month. After 12 years of independence, Tbilisi still has the distinction of being the only former Soviet capital without 24-hour electricity.

In short, Mikhail Saakashvili inherited a mess from former president Eduard Shevardnadze when he took power last November. Shevardnadze on the whole gets a bad rap. It's true that corruption was rife under his rule. However, he and Heydar Aliyev were also the key strategists of the Baku-Ceyhan oil pipeline, the 1,000-mile corridor to the Turkish Mediterranean. Successive Washington administrations liked to say that, when the pipeline is launched next year, it will provide the foundation for the region's genuine sovereignty from Russia. In this case the rhetoric is true. Saakashvili and Aliyev absorbed much pressure and heat from Russia in continuing to advocate the line until it became reality. That included threats of further territorial disintegration. Shevardnadze experienced two assassination attempts that he rightly or wrongly blamed on his anti-Russia policy.

NEW MIDDLE CLASS

Because of Shevardnadze and Aliyev, the entire greater Caspian region—all eight republics of Central Asia and the Caucasus—will have its first opportunity at true independence in almost two centuries.

The question is what each republic will do with its chance, and when. Economically, the answer so far is mixed. Turkmenistan, which is not part of the East-West corridor, is an economic disaster and a certain example of Dutch disease. Uzbekistan is barely better.

However, the early flush of cash is indisputably creating a new middle class in Kazakhstan. The Big A's—the cities of Almaty, Astana, Atyrau, and Aktau—are all undergoing an enormous construction boom. And the reach goes far. My Almaty office manager, who began with us as a \$100-a-month cook more than a decade ago, owns

her own apartment and has just taken out a \$20,000 bank loan to buy apartments for two of her grown daughters; they will make the payments from their own salaries. That does not mean that a middle class the size of the United Arab Emirates—or the United States—is being generated. Most of the country is still dirt-poor. And the continued signs are that the family of President Nursultan Nazarbayev is keeping control of big parts of the economy, including oil. Equally, however, it is not Nigeria. Nor is it a case of Dutch disease—Kazakhstan's banking system is rock solid, with most of the bad banks and their uncollectable loans long ago closed out and forgotten.

Politically, there is little or no sign that the five Central Asian republics will use the increased financial security to give their populations a greater voice in their own nationhood. The leaders of both Kazakhstan and Uzbekistan appear to be setting up future political roles for their respective eldest daughters—the same way that Heydar Aliyev organized a dynastic succession for his son—and Turkmenistan president Saparmurat Niyazov continues to set new boundaries for the definition of tinpot dictator. Niyazov's most recent offense was to delegitimize the college degrees of almost everyone educated abroad.

It could be somewhat different in the Caucasus. Armenia is largely a lone player in the region—its long conflict with Azerbaijan is the main reason it has been excluded from the geopolitics, and it does not stand to gain from the oil or the pipeline. And in the same way as Azerbaijan's Ilham Aliyev is not demonstrating that he will truly spread the wealth, nor create the foundations for a broad economy, he, like his father, may decide not to loosen up politically throughout his rule.

Instead, the best case could be Georgia. Notwithstanding systematic election cheating, Shevardnadze was exposed to ouster by the very freewheeling political system he allowed to flourish. His successor exhibits worrying signs of overconfidence, the kind that can lead to irrational dictatorial exuberance. But if Saakashvili keeps his wits about him, Georgia could end up with the most vibrant political system in the 12-nation Commonwealth of Independent States. ■

STEVE LEVINE, A WALL STREET JOURNAL REPORTER AND VISITING FELLOW AT CDDRL, IS WRITING A BOOK ABOUT OIL IN THE CASPIAN SEA REGION CALLED *PLAYERS*, WHICH IS TO BE PUBLISHED BY RANDOM HOUSE.

Will Foreign Policy Decide the Outcome

CONTINUED FROM PAGE 1

For its part, the Supreme Court, through what's known as "judicial review," has the final say in determining the constitutionality of laws passed by the legislative branch, including those relating to the content and conduct of foreign policy. The court has done the same, on occasion, with respect to actions undertaken by the executive branch.

In the American system of government, restraint and accountability—not efficiency—are the overarching goals, which the Constitution seeks to ensure through the separation of powers and the resulting "checks and balances." By design, in other words, the U.S. political system is adversarial in nature. Beyond providing for stability and order, the Constitution is designed to prevent tyranny by limiting the degree to which any single branch of government can accumulate power and dominate the political process.

This applies equally to foreign and domestic policy issues. Why, then, the persistent view that somehow foreign policy should not be "politicized," and the vague sense that to do so is illegitimate, even unpatriotic?

Blame it on the Cold War and the advent of what was termed "bipartisanship."

From the late 1940s to the late 1960s, meaningful debate about the direction and content of American foreign policy ground to a veritable halt as politicians across the political spectrum rallied to the twin themes of anti-Sovietism and anti-communism. To be "soft" on either was to risk political annihilation. In surrendering to the appeal

In each of these elections, the candidates battled furiously over foreign policy. The televised debates between John Kennedy and Richard Nixon in 1960 were essentially about America's role in the world and the dangers we confronted internationally. Lyndon Johnson clobbered Barry Goldwater in 1964 at least in part because LBJ painted the Arizona Republican as a wild-eyed warmonger who, if elected, would lead us over the precipice. Nixon, in 1968, asked the American people to select him because he had a "secret plan" to end the war in Vietnam. George McGovern argued in 1972 that it was time "to bring America home." And Ronald Reagan warned in 1980 about a purported "window of vulnerability" that he and others claimed had left us open to a bolt-out-of-the-blue Soviet missile attack.

Foreign policy was a relatively minor issue in only three elections between 1952 and 1988: in 1976, when the election was mostly about putting Watergate behind us; in 1984, when economic recovery was front and center in the minds of most Americans; and in 1988, when the election wasn't about much of anything from what I can recall.

Foreign policy has not figured prominently in presidential politics for a long time—for the better part of 20 years, in fact. This is hardly surprising, given the disappearance of the Soviet Union from the world

"Why, then, the persistent view that somehow foreign policy should not be 'politicized,' and the vague sense that to do so is illegitimate, even unpatriotic? Blame it on the Cold War and the advent of what was termed 'bipartisanship.'"

of "bipartisanship" in foreign policy, political leaders in both parties delegitimized the kinds of debates over America's role in the world that had dominated political discourse in this country in the decades before World War II.

For all intents and purposes, it was during the darkest days of the Cold War that we enshrined the notion that however lively the debates over domestic political issues, when it came to foreign policy we were supposed to speak with one voice. To do otherwise was to provide "aid and comfort" to the enemy.

That the Soviet threat was real is not at issue. It was, and so it remained until the late 1980s. My point is a different one. In organizing American foreign policy by reference to the concept of anti-Sovietism—to the exclusion of most other challenges and threats we faced—we short-circuited the process of active contestation that characterizes our consideration of most other policy issues. We came to believe, in foreign policy at least, that dissent equaled disloyalty.

How did we get ourselves into this situation? Two reasons, really. First, there was a threat. The Soviet Union was a menace—and a very heavily armed one at that. And second, being tough on the Russians and standing up for "the American way of life" were surefire ways to win elections.

It was not until half a decade into the Vietnam War that the "bipartisan consensus" in foreign policy began to unravel, producing enormous acrimony, both within the foreign policy establishment and the polity more generally, as well as violent dissent, which shook many U.S. institutions to their very foundations.

The lesson, it seems to me, is clear. Treating foreign policy as something other than the profoundly political question that it is is not only unwise, it's positively dangerous. Where critical discussion ends, bad policy begins. Politically, it's the equivalent of giving oneself a lobotomy in the hope of silencing those pesky voices in one's head. Sometimes the cure is worse than the disease.

So, to return to the first of my two questions: When does foreign policy matter in U.S. presidential elections? It matters whenever Americans perceive themselves at risk from forces operating outside our borders and beyond our control.

During the height of the Cold War, from 1952 to 1988—during which time we went to the polls ten times to elect a president—foreign policy ranked at or near the top in importance to voters seven times. The exceptions were the elections of 1976, 1984, and 1988.

In 1952, it was the Korean War. In 1956, it was the Suez crisis and the Hungarian revolution. In 1960, it was the missile gap, "Red China," Cuba, Berlin, and the Quemoy and Matsu crisis. From 1964 to 1972, it was, to one degree or another, about the Vietnam War. In 1980, it was the Republican charge that the Soviets were once again on the strategic offensive and had to be stopped.

stage and, along with it, the threat it was seen to pose.

Put simply, after 1991, Americans had other things to think about—most especially, by 1994, how to take advantage of the economic boom times swirling about them.

So, does it take a war—or at least the prospect of major conflict—to make Americans pay attention to foreign policy?



in This Year's Presidential Election?

“So, does it take a war—or at least the prospect of major conflict—to make Americans pay attention to foreign policy? The short answer is yes.”

The short answer is yes. But it's a two-edged sword. Truman in 1952 and Johnson in 1968 bowed out of politics because the public held them responsible for the debacles in Korea and Vietnam, respectively. Reagan's numbers dropped precipitously during the Iran-Contra scandal in 1987, and had the Constitution allowed him to seek a third term in 1988, he probably would have had a much tougher go of it than he had in 1980 and 1984.

In considering how foreign and defense policy issues play in American politics, then, it is important to bear in mind that running on a national security platform—let alone seeking reelection as a “war president”—is not without risk.

When the external environment is hostile—as it is today—the public can be fickle. They will vote for an individual if they see that person as a steady, reliable, and resolute guardian of their interests and those of the nation, more broadly. And they will deny an individual the presidency if they believe that he is fundamentally incompetent when it comes to matters of national security (think George McGovern) or that an incumbent president has blundered into a conflict that has cost the country dearly and for which the administration has no credible “exit strategy” (think Lyndon Johnson).

Which brings us to the 2004 election. This election, I believe, will turn on two issues, basically: security—more specifically, whether Americans are satisfied with this administration's handling of both the terrorist threat and the war in Iraq—and the economy.

George Bush must seek to convince voters that his administration has done everything within reason to provide for their physical well-being in the aftermath of September 11, and that they are safer today than they were on that fateful day. He also has to hope that by November the economic recovery that has been under way over the last year will make Americans feel better about their economic prospects.

For their part, the Democratic standard-bearers, John Kerry and John Edwards, must sow doubts about the administration's competence when it comes to waging the so-called global war on terrorism, including the war in Iraq, while at the same time articulating policy alternatives that the American people will judge superior to those of the president. They must also cross their fingers that however welcome the recent economic uptick, voters will punish the Republicans for three years of job losses and a ballooning federal deficit.

The president has staked his claim for another four years in office on both the way he has led the campaign against terrorism and the results his policies have produced. It is for this reason, above all, that the administration reacted with such intensity last spring to charges leveled against the president and his national security team by former counterterrorism czar Richard Clarke, among others.

The essence of Clarke's critique of the Bush administration was that it discounted the threat posed by Al Qaeda while focusing on what Clarke and others considered second-order challenges, such as relations with Russia and China, national missile defense, and above all, Iraq.

Although he did not quite say it, Clarke clearly implied that had the administration devoted the kind of attention to terrorism (1) that the facts warranted, and (2) that they did to other challenges, the attacks on the World Trade Center and the Pentagon might have been prevented. The charge was incendiary at the time, and it remains so today. And if a majority of the American people comes to believe it, the president could very well find himself the second George Bush to serve a single term.

The most dramatic round in the political wars surrounding the events of September 11 took place last April, when Stanford's own Condoleezza Rice testified under oath to the independent commission charged with investigating the Al Qaeda attacks. It fell to Dr. Rice to rebut Clarke's core allegation—that the administration was willful in its disregard for the threat posed by Arab terrorists—and to convince those listening to her that however tragic the attacks in New York and Washington, there was “no silver bullet” that could have kept us safe that day.

It was—and it remains—a tall order. At issue is the perception, now quite widely held, that the administration was preoccupied with other issues—most especially, the so-called rogue state problem—and not, for whatever reason, with global terrorism. It is no exaggeration to say that how people come to assess the administration's culpability on this score will influence, perhaps decisively, how they vote in November.

The challenge for the Democrats is twofold. Can they keep from “piling on,” and can they convince potential voters that they could have done—and will do, if elected—a better job of protecting them?

If Kerry and those around him are seen to be too partisan in their attacks on the administration, they can expect a public backlash. It remains the dominant view among highly motivated voters that President Bush has handled himself well—that he has risen to the occasion—in the period since September 11. The Democrats must let the facts, as they emerge, speak for themselves.

Making good on the other half of the equation—offering policy prescriptions that voters will find more compelling than those advanced by the Republicans—is even more of a challenge. Since the 1972 electoral disaster, when George McGovern lost to Richard Nixon by one of the largest margins in modern American political history, Democrats have had to battle the perception that they are weak, or at least indecisive, on defense and security-related issues.

If you are a Democrat, the record is not encouraging. The last time foreign policy really mattered in presidential politics—in 1980—an aging former governor with conservative credentials to rival those of Barry Goldwater unseated an incumbent Democratic president.

The arguments put forth by leading Democrats this time, including the party's nominee, that they will do a better job waging war against the terrorists by working more closely with allies, by spending money more wisely, and by reforming the intelligence services, may or may not resonate with voters.

It is instructive to recall in this context the 1992 presidential contest. It is certainly the case that had that election turned on foreign policy, the first George Bush would have coasted to victory over Bill Clinton. The latter had a foreign policy platform, to be sure, but it was not one that would have induced the American people to flock to him rather than to his worldly and more experienced rival.

“If you are a Democrat, the record is not encouraging.”

The two elections—1992 and 2004—are not perfectly analogous, but they are similar enough to suggest that foreign policy is unlikely to give the Democrats much of a boost in November—even if, as seems likely, the Bush administration takes a drubbing over its handling or mishandling of the terrorist threat before September 11 and, quite possibly, Iraq.

I think the Republicans will prevail on the national security issue—assuming we're not struck again by a massive terrorist attack, which would make it very hard to predict the electoral consequences, and that the situation in Iraq has begun to stabilize—unless the administration is revealed, in effect, to have ignored the terrorist threat before September 11 or to have attacked and invaded Iraq essentially for ideological reasons.

Domestic political issues, particularly the economy, could overtake foreign policy as the critical issue in 2004. Americans typically vote their pocketbooks, and if the external environment does not force its way into their consciousness, the race could revolve around the question of which candidate, Bush or Kerry, is better equipped to address the bread-and-butter-issues that preoccupy most of the people of this country, most of the time.

Assuming the Republicans don't hand the Democrats security policy on a silver platter, the best hope for John Kerry and John Edwards is that by November of this year, 2004 looks like 1992—when the American people concluded that their president was spending too much time (and wasting too many resources) on foreign policy and not enough on domestic problems—and not 1980, the last time that defense and national security policy played a major role in deciding a presidential contest. ■

COIT D. BLACKER IS DIRECTOR OF SIIS.

CHP Study: Even Modestly Effective HIV Vaccine Would Yield Substantial Benefit

BY SARA SELIS



DOUGLAS K. OWENS

Research led by CHP/PCOR core faculty member Douglas K. Owens has found that even if an HIV vaccine were only modestly effective—even if it protected against HIV/AIDS just 50 or 60 percent of the time—the vaccine would yield substantial health benefits and would save millions of dollars by preventing new HIV and AIDS cases.

The findings could help developers of HIV vaccines determine whether it makes sense to proceed with further

clinical trials. Once an HIV vaccine becomes available, the findings could help policymakers determine how the vaccine should be administered—who should receive it, when and where it should be given, how much it should cost, and who should pay for it.

“We asked the question, ‘How good would an HIV vaccine need to be to be cost-effective?’” said Owens, an associate professor of medicine (general internal medicine) at the Stanford School of Medicine. “The answer, which was somewhat surprising, is it doesn’t need to be all that effective.”

Owens presented the research at the 12th International Conference on AIDS, Cancer, and Related Problems, held May 24–31 in St. Petersburg, Russia. The study is part of a larger multicenter research project he is leading, called “Making Better Decisions: Policy Modeling for AIDS and Drug Abuse.”

Four other investigators for the project also attended the Russia conference and presented their research on various HIV prevention and control efforts. They included CHP/PCOR associate Margaret Brandeau, an engineering professor at Stanford, who presented a framework that can help policymakers decide how best to allocate funds among different AIDS-prevention efforts, ranging from needle exchange programs to condom distribution efforts to community-based screening and counseling.

Although no proven HIV vaccine currently exists, more than 20 vaccines are in clinical trials around the world, and many HIV/AIDS researchers—Owens among them—are hopeful that an effective vaccine will someday emerge. Two types of vaccines are possible: a preventive vaccine, which would protect recipients from being infected with the HIV virus if they were exposed to it, and a therapeutic vaccine, which would prevent HIV-positive individuals from developing AIDS, or would halt or slow the disease’s progression.

Absent an existing vaccine, Owens and colleagues used modeling to calculate the benefits that would come from using different types of vaccines under different conditions. The factors considered include the cost and effectiveness of the vaccine, who

would receive it, and when. The researchers found, for example, that a preventive vaccine that is 75 percent effective would prevent 5,000 to 10,000 HIV infections over 20 years in a population of about 47,000 sexually active homosexual men, and would thereby save almost \$150 million in future AIDS treatment costs.

The savings are significant despite the high cost assumed for the vaccine—about \$1,000 per dose. Owens’ study is one of the first to comprehensively examine the costs and benefits of potential HIV vaccines.

Owens and his colleagues were initially surprised at how cost-effective the vaccine appeared to be, but upon further reflection, he said, “It made a lot of sense when you consider the high mortality of HIV infection and how expensive it is to treat.”

Owens noted that the findings apply only to the population examined in his study—sexually active homosexual men in San Francisco—and that the impact of a vaccine could be quite different in other populations. Owens is also studying the impact of an HIV vaccine on injection drug users in Thailand.

One critical factor determining the population benefit of a therapeutic vaccine, Owens found, is its effect on infectivity—the extent to which the vaccine can prevent an HIV-positive individual from transmitting the virus to others.

Owens emphasized that the research from the “Making Better Decisions” project is designed to yield practical information that can help guide policy decisions.

“A lot of studies examine preventive interventions, like condom distribution programs, but they only tell you how their program affects specific behaviors, such as rates of condom use,” Owens said. “Our goal is to use the results of these studies to assess the health outcomes that matter most: How does the intervention affect HIV transmission rates and the number of new AIDS cases?”

Owens emphasized that cost-effectiveness studies do not yield a yes-or-no determination on whether a particular intervention is cost-effective. Instead, the studies produce information on the costs and benefits of the intervention, with the goal of helping decision-makers determine whether implementing the program would be worthwhile. “These are value judgments based on how much society is willing to spend to prevent illness or death,” Owens said. ■

“Making Better Decisions: Policy Modeling for AIDS and Drug Abuse” is funded by a grant from the National Institute on Drug Abuse, part of the National Institutes of Health.

Findings from the project have been published in numerous journal articles and have been presented to the World Health Organization and the U.S. Centers for Disease Control and Prevention.

CISAC Receives Homeland Security Research Contract

BY SHARAN L. DANIEL

The Department of Homeland Security (DHS) has awarded a 15-month \$1.65-million contract to the Center for International Security and Cooperation (CISAC). The program will be run as part of a joint project with the Naval Postgraduate School (NPS) in Monterey.

Michael May, former CISAC co-director and professor emeritus (research) in the School of Engineering, and Scott Sagan, CISAC co-director and professor of political science, are the Stanford co-principal investigators of the new program.

“Working with DHS and helping them get started on organizational learning—to discover how technical learning can be put to use by security organizations—is a good thing for both DHS and CISAC,” May said. “Areas of organizational theory and theories of bureaucratic systems of security have to be completely renewed” to inform public responses to terrorist threats, he added.

CISAC’s portion of the project entails a homeland security seminar and fellowship program, which will

bring eight research fellows to campus in 2004–05. Fellows will join CISAC and other faculty to conduct research on some of the most daunting issues confronting the homeland security mission, such as how national and local agencies can learn to cooperate quickly and effectively and how they can learn from past emergencies, real and simulated. CISAC will undertake in-depth scholarly research that can help inform DHS efforts to improve the design and evaluation of future terrorism exercises of national and local response systems.

Scholars will study diverse approaches to learning—and failing to learn—from emergencies, including those of armed forces, medical emergency rooms, and police and fire departments. Researchers will also investigate how government organizations can stay ahead of potential attackers in the “competitive learning” situation that terrorism presents—one in which terrorists and law enforcement officials alike try to learn from vulnerabilities exposed in public emergencies.

Lynn Eden, CISAC associate director for research, will manage Stanford’s participation in the new project.

The Organizational Learning and Homeland Security fellows chosen for 2004–2005 are Charles Perrow, professor emeritus of sociology at Yale; Marc Ventresca, university lecturer in strategy and fellow at Wolfson College in Oxford’s Said Business School and visiting associate professor of organizations and strategy, Graduate School of Management at the University of California–Irvine; Michael Kenney, assistant professor at the School of Public Affairs at Penn State University–Harrisburg; Laura Donohue, Ph.D., history, Cambridge University and student at Stanford School of Law; Tonya Putnam, J.D., Harvard Law School and Ph.D. student in political science at Stanford; Manas Baveja, a graduate student in the Scientific Computing and Computational Mathematics Program in Stanford’s School of Engineering; and Dara Cohen and Jacob Shapiro, graduate students in political science at Stanford. ■

Rethinking Historical Injustice in Northeast Asia: The Korean Experience in Regional Perspective

BY GI-WOOK SHIN AND HONG KAL



Since the end of the Cold War there has been much coming to terms with the past. Many of the injustices of World War II, frozen unresolved during the Cold War, have been exhumed and are being explored with renewed vigor.

If the 20th century is remembered as a century of war, Asia is central to that story. In Northeast Asia, where issues of historical injustice have generated a vicious circle of accusation and defense, overcoming historical animosities is one of the most important issues facing the region. In recent decades Northeast Asia has experienced phenomenal economic growth and the spread of democratization. Recent indications point to a greater integration of the nations of the region, economically and culturally. Yet wounds from past wrongs committed in times of colonialism, war, and dictatorship are not fully healed.

In South Korea the successful democratization movement and the growth of civil society have increased efforts to unearth and redress crimes of the past. These include, externally, military atrocities and abuses committed by Japan, including Korean comfort women and forced labor during World War II; and internally, the exploitation of military comfort women by Koreans, the massacre of civilians by their own government before and during the Korean War, and atrocities committed by Korean soldiers during the Vietnam War. Indeed, South Korea presents one of the rare cases where both internal and external injustices are being addressed.

The conference “Rethinking Historical Injustice in Northeast Asia: The Korean Experience in Regional Perspective,” hosted by the Korean Studies Program at APARC on May 26–27, 2004, sought to understand issues of historical injustice and reconciliation in Northeast Asia from Korean perspectives. By linking internal, external, and regional aspects of historical injustice, it aimed to move beyond state-oriented approaches and binary categories such as victim versus

aggressor. It explored new concepts and approaches in an attempt to move to the next stage: a transnational, cross-cultural process of reconciliation.

Among the distinctive features of the conference was the attention to Korean experience in its regional and transnational dimensions. The conference participants—activists and scholars from diverse disciplines—provided comparative and interdisciplinary perspectives on dealing with past wrongs, struggles for reparations, and politics of memories in contexts of Japan and China. Among the issues discussed were American POW forced laborers during World War II, violence during the Chinese Cultural Revolution, discourse about North Korea at state and popular levels in Japan, and the politics of representation in war memorials in Korea and Japan.

Through multidimensional discussions across disciplinary and national boundaries, the conference raised a number of questions for further examination:

- If reconciliation is an interactive process, how do the deepening cultural and economic integration in the region affect historical reconciliation, and vice versa?
- Can we come up with any Northeast Asian approaches to historical injustice and reconciliation?
- What is the role of the United States in regional reconciliation? Can reconciliation in Northeast Asia proceed without U.S. support?

The papers presented at the conference will be published as an edited volume. ■

GI-WOOK SHIN IS PROFESSOR AND DIRECTOR OF THE KOREAN STUDIES PROGRAM AT APARC. HONG KAL IS A RESEARCH FELLOW IN KOREAN STUDIES.

European Forum: The Remaking of Austria, 1945–1955

In the first of three planned workshops on Austria and its role in postwar Europe, American, European, and Russian specialists and invited guests gathered at the Stanford Institute for International Studies on June 4–5, 2004, to discuss the creation of the new postwar Austrian democracy under the conditions of four-power occupation.

The series of workshops are being held as a consequence of the special relationship between Stanford and the University of Vienna, fostered by the chair in Austrian studies. Two former holders of the Austrian chair, Arnold Suppan and Wendelin Schmidt-Dengler, both from the University of Vienna, took part. The European Forum, co-chaired by Amir Eshel and Norman Naimark, sponsored the event.

During the opening session of the workshop, three distinguished historians of postwar Austria—Michael Gehler, Oliver Rathkolb, and Guenter Bischof—debated the meaning of the Allied occupation for Austrian history. Such questions as the Austrians’ relationship to the country’s ongoing neutrality, their attachment to democratic politics, and their relationship to Europe all have their roots in the occupation period. Antipathy toward the Soviet Union and good relations with the United States and Great Britain also can be traced to the varied histories of the occupation zones. The session also debated the origins of the Moscow Declaration of 1943, by which the Allies decided to treat Austria as a “liberated” country.

The second session highlighted papers by Wendelin Schmidt-Dengler, Kristin Rebien, and Matti Bunzl and focused on Austrian culture in the immediate postwar period. The idea of an Austrian identity distinct from that of the Germans was created in this period by Austrian writers, poets, and painters. The important linkages between culture and politics in Austrian consciousness also were emphasized.

During the third session, chaired by former SIIS director David Holloway, the presenters, Vojtech Mastny, Wolfgang Mueller, Gennadii Bordiugov, and Norman Naimark—all specialists on Soviet policy in Europe—discussed Soviet aims in Austria and in the Soviet zone of occupation in the light of newly declassified documents available in Moscow. Soviet intentions in Austria are still difficult to discern, but scholars now understand much better both the reasons why the Kremlin refused to sign a State Treaty during Stalin’s rule and yet why they finally did so in 1955.

In the final session of the workshop, questions of comparison between Austria and Central and Eastern Europe were explicitly addressed by three presenters: Peter Kenéz, who spoke about the Hungarian case, Dietrich Orlow, who compared the occupation in Germany to the occupation in Austria, and Arnold Suppan, who surveyed the extent of Sovietization in the Austrian “neighborhood” as a whole. The Austrian case is particularly important because it embodies so many singular aspects of postwar European development. ■

At 79, Arms-Control Maven Still Working for a Safer World



GEORGE BUNN

first general counsel, and from 1962 onward he helped negotiate the NPT. In 1968, Bunn was named U.S. ambassador to the Geneva Disarmament Conference, where the treaty was signed. The NPT, which entered into force in 1970 and was permanently extended in 1995, remains an important obstacle—despite serious strains—in the path of global nuclear weapons proliferation.

In an article on the treaty's history published last December in *Arms Control Today*, the journal of record, Bunn wrote, "The NPT nonproliferation norm, the long-term effort of the United States and others to gain acceptance of it, and the international inspections the NPT produced deserve significant credit for the fact that the world does not now have 30 or more countries with nuclear weapons."

During the workshop, Thomas Graham Jr., who later became general counsel and then a special arms control ambassador for the Arms Control and Disarmament Agency, reiterated the long-standing significance of the NPT. The International Atomic Energy Agency (IAEA) estimates that 60 to 70 nations today possess the capability to build nuclear weapons but do not do so because of their commitment to the NPT.

"That could have created a nightmarish world, one in which every conflict would run the risk of going nuclear and where it would be impossible to keep these weapons out of the hands of terrorists, because they would be so widespread," Graham said. "The NPT converted what had been an act of national pride—the acquisition of nuclear weapons—into an act considered contrary to practices of the civilized world."

Today, nine countries, including North Korea but not Iran, possess nuclear weapons.

Despite the NPT's accomplishments, efforts to stop illicit nuclear proliferation continue, said Daryl Kimball, executive director of the nonpartisan Arms Control Association, which publishes *Arms Control Today*. During the workshop, Kimball discussed prospects for the Comprehensive Test Ban Treaty (CTBT), which he described as a "sensible, practical, and effective response to the nuclear threat." Despite widespread international support, he said, the U.S. Senate failed to ratify the treaty in 1999 and the Bush administration opposes it. Nevertheless, Kimball said he remains an optimist because Bunn has shown by example the importance of patience and perseverance.

"As George knows better than anyone else, good things don't often come easily or quickly," Kimball said. "It has now been just over 50 years since the enormous March 1954 'Bravo' test series in the Marshall Islands led to widespread fallout and increasing international concern... and really triggered the anti-nuclear movement. Through it all, [Bunn] has been someone who has sensible and insightful guidance and, perhaps more

importantly, someone who has even under difficult conditions always pressed forward so that ideas like the CTBT might survive and thrive at some future point."

The workshop included a presentation by Matthew Bunn, Bunn's son, who is an arms control expert in his own right at Harvard's Belfer Center for Science and International Affairs. Matthew Bunn entered the field with a technological, rather than legal, background, but the Bunn family has collaborated on several articles dealing with nuclear security.

SECURITY CONCERNS

Long before the collapse of the Soviet Union in 1991 and the September 11, 2001, terrorist attacks, Matthew Bunn said his father was concerned with security. The NPT did not address nuclear terrorism because the era of major international terrorist attacks began just as the treaty was completed.

In a 1986 paper prepared for the International Task Force on Prevention of Nuclear Terrorism, George Bunn wrote that a new effort beyond IAEA safeguards was needed to contain weapons-usable materials. He also called for "an IAEA experts' conference on the physical protection of nuclear material from terrorists," Matthew Bunn said. "It could help educate many nuclear operators on the dangers of terrorist sabotage, theft, or attack on nuclear facilities." Furthermore, Bunn said his father called for "a new antiterrorist nuclear treaty dealing with standards for the domestic protection of reactors, spent fuel storage facilities, and local transport of nuclear materials."

George Bunn continues his quest to secure nuclear weapons from a small office in Encina Hall on the Stanford campus. Currently, he is collaborating on a classified NATO report on the danger of terrorists attacking nuclear power reactors and the risks involved in transporting spent fuel, and he is writing a chapter on nuclear nonproliferation as part of a study on current U.S. nuclear weapons policies.

Matthew Bunn said his father remains motivated by a purpose larger than himself.

"He has always believed that he was placed on this earth for a reason—to make the world a better and safer place," Bunn said. "He has devoted his life to that." ■

EDITED VERSION OF ARTICLE IN THE STANFORD REPORT, JUNE 11, 2004.

"He has always believed that he was placed on this earth for a reason—to make the world a better and safer place."

IN 1945, ENSIGN GEORGE BUNN was a shy 20-year-old preparing to join the crew of the USS *Logan*, a Navy troop-transport ship bound for the invasion of Japan. Kamikaze suicide pilots had already sunk similar ships, killing hundreds of Allied troops, and Bunn was convinced he might encounter a similar fate.

But on August 6 and 9, the U.S. government dropped atomic bombs on Hiroshima and Nagasaki. World War II ended. Bunn's ship instead ferried U.S. troops home.

"I got involved in nuclear arms control because I perceived that my life was saved by the bomb," says Bunn, a consulting professor since 1986 at the Stanford Institute for International Studies. He is best known for helping to draft the 1968 nuclear Non-Proliferation Treaty (NPT), the landmark agreement responsible for curtailing the spread of nuclear weapons worldwide.

On June 1, the Center for International Security and Cooperation (CISAC) at SIIS hosted a three-hour workshop to celebrate Bunn's 79th birthday and recognize his accomplishments in the arms control field.

John Rhinelander, one of the negotiators of the Anti-Ballistic Missile (ABM) Treaty and the Strategic Arms Limitation Treaty (SALT) and a longtime leader in the field, said Bunn's contributions have made the world a safer place. "He is the single greatest resource we have in terms of American lawyers on arms control," Rhinelander said.

THE AFTERMATH OF THE BOMB

After the atomic bomb ended the war, politically active scientists began organizing to contain what they had created. Bunn was a graduate student in physics at the University of Wisconsin when his father, a lawyer in the State Department, gave him a copy of the 1946 Acheson-Lilienthal Report, a document that proposed to give the United Nations complete control over atomic weaponry. Bunn decided to quit physics and pursue law at Columbia University to be able to work in arms negotiation. "The whole point was not to practice law but to control nuclear weapons," he said.

Bunn was an effective lawyer. He worked for the U.S. Atomic Energy Commission, the U.S. Nuclear Regulatory Commission, and Arnold, Fortas, and Porter, a major Washington, D.C., law firm. Bunn wrote and pushed through Congress the legislation that created the U.S. Arms Control and Disarmament Agency. In 1961, he became its

CISAC Recognizes Honors Program Graduates

At a graduation ceremony in June 2004, CISAC recognized the 10 undergraduate students who this year completed the center's Interschool Honors Program in International Security Studies. The ceremony honored four of the students with awards for excellence on their honors theses.

The award winners are:

John Cieslewicz, a computer science major, received a William J. Perry Award for his thesis "Attacks and Accidents: Policy to Protect the Power Grid's Critical Computing and Communication Needs."

Elizabeth Eraker, a history major, received the John and Marjorie Hines Prize in American History for her thesis "Cities As Critical Nodes: The Influence of Air Force Doctrine in the Targeting of the Atomic Bomb."

Daniel Kliman, a political science major, received a William J. Perry Award for his thesis "Japan's Defense Policy in the Post-9/11 World: Toward a 'Normal' Nation."

Anya Vodopyanov, a history and political science major, received a Firestone Medal for Excellence in Undergraduate Research for her thesis "A Watchful



Eye behind the Iron Curtain: The U.S. Military Liaison Mission in East Germany, 1953-61."

The additional six students who completed the CISAC Honors Program are:

Anne-Marie Corley, Slavic languages and literatures

Dana Craig, political science

Andrea Everett, political science

Tarek Ghani, symbolic systems

Savannah Lengsfelder, international relations

Jane Vaynman, international relations

Started in 2000 to help develop the next generation of security specialists, the CISAC Honors Program accepts Stanford University undergraduate students each year, from all disciplines throughout the university. Those selected attend the CISAC honors college in Washington, D.C., complete an internship with a security-related organization, attend a yearlong core seminar on international security research, and produce an honors thesis on a topic with policy implications for international security. After fulfilling their individual department course requirements and completing the Honors Program, the participating students graduate in their major with an honors certificate in international security studies. ■

Environmental Science Honors Students Recognized

In June 2004 faculty from the CESP Goldman Honors Program in environmental science, technology, and policy honored six students who represented the 10th graduating class of the yearlong program.

The honors thesis—the culmination of intensive field research and analysis—is an integral part of the program. This year's thesis topics demonstrated a strong international focus and the need to address environmental problems on a global scale. Topics ranged from electricity reform and pollution reduction in South Africa to arsenic contamination of groundwater in Cambodia to a case study in New Zealand on the impacts of hydrogen as a transport fuel.

Joshua Bushinsky won a Firestone Medal for Excellence in Undergraduate Research for his research in South Africa on optimizing residential demand-side management (DSM) in the electricity sector. His research examined South Africa's ambitious national program to connect millions of low-income and rural households to the grid—a move that will exacerbate peak scarcity. Working with thesis advisor David Victor, Bushinsky presented a new model for integrated resource planning to analyze optimal residential DSM programs. His paper concluded that residential DSM is shown to delay the need for new-generation capacity investment, reduce total required capacity, and in some cases allow investment in cleaner, more efficient supply-side technologies.

Andrew Baglino won this year's Richard Goldman Award for Excellence for his work in New Zealand on the first-degree impacts of hydrogen as a transport fuel. His thesis assessed the broad impacts of large-scale hydrogen production on New Zealand's key energy and environmental indicators through an integrated modeling analysis of all energy sectors affected by a hydrogen transport infrastructure. Business-as-usual and policy-intervention scenarios were compared against a reference scenario without hydrogen vehicles. Baglino found that a hydrogen economy is compatible with and can promote New Zealand's long-term policy goals of sustainable resource use, independence from foreign oil, and minimization of climate impacts.

A number of Goldman Honors alumni have gone on to influential professions in the environmental science and policy arenas, some expanding their theses into scholarly publications. Goldman Honors alumnus and current Ph.D. student in Stanford's Interdisciplinary Program on Environment and Resources Michael Mastrandrea published as lead author an article in the April 2004 edition of *Science*, a prestigious scientific journal, on the probabilistic integrated assessment of "dangerous" climate change. ■

Reischauer Scholars Program: Bridging SIIS and High Schools

An SIIS-based program designed to engage exceptional high school juniors and seniors from throughout the United States in an intensive study of Japan successfully concluded its inaugural year in June.

Twenty-four students from private, public, and home schools across the United States participated in the distance-learning course, conducted by the Stanford Program on International and Cross-Cultural Education (SPICE) and the United States-Japan Foundation.

The Reischauer Scholars Program, named after the

former U.S. ambassador to Japan, provides students with a broad overview of Japanese history, literature, religion, art, politics, and economics, with a special focus on the U.S.-Japan relationship. It is intended to equip participants with a rare degree of expertise about Japan which may have a significant impact on their choice of study and future careers.

Students in the Internet-based course conduct individual research projects and lead two presentations on Japan at their schools or in their communities.

APARC professors Michael Armacost and Daniel Okimoto provided lectures on CD-ROM, along with other top scholars throughout the United States. Ambassadors Howard Baker and Ryozo Kato provided the opening remarks for the course, also on CD-ROM.

SPICE curriculum specialist Waka Takahashi Brown is coordinating the program, second-year preparations for which are under way. ■

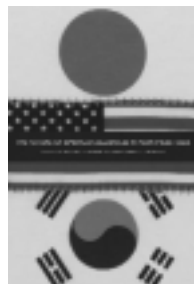
PANTECH GROUP AWARDS \$2 MILLION TO KOREAN STUDIES PROGRAM AT APARC

One of Korea's leading information technology companies, the Pantech Group, has awarded a \$2 million gift to support the Korean Studies Program at APARC. The Pantech gift will create the Stanford Korea Forum, led by Professor Gi-Wook Shin, which will convene a conference every year on different aspects of the U.S.-Korea relationship. Three fellowships will also be established: one for mid-career professionals in public service, journalism, and business who will spend three to nine months at Stanford as Pantech Fellows; one for invited Korean scholars to come to Stanford during the summer; and a third for undergraduate and graduate students interested in Korean studies. In addition, the gift will help to sustain critical activities of the Korean Studies Program at APARC, such as public lectures, ongoing research, and policy briefs.

Professor Shin was delighted with the generous Pantech gift. Korean studies have blossomed at Stanford over the past three years under Shin's leadership, and he notes that this new commitment will "facilitate American understanding of Korea and elevate Stanford's Korean studies program to the next level of excellence." Shin also underscored the importance of the timing of this gift, "as the United States is now entering a new era in its relations with both North and South Korea."

LAWRENCE J. LAU APPOINTED VICE CHANCELLOR OF THE CHINESE UNIVERSITY OF HONG KONG

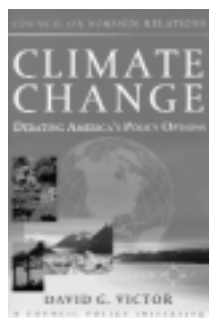
In July 2004, Lawrence J. Lau left APARC and SIIS to assume the vice chancellorship of the Chinese University of Hong Kong. A member of Stanford's Department of Economics for over 30 years, most recently as the Kwoh-Ting Li Professor of Economic Development, Professor Lau is a senior fellow by courtesy at SIIS and a director emeritus of APARC. APARC and SIIS appreciate Professor Lau's long service to APARC and wish him the best in his new undertaking, which will enhance APARC's already strong ties with the Hong Kong academic community.



THE FUTURE OF AMERICA'S ALLIANCES IN NORTHEAST ASIA
 Edited by Michael Armacost and Daniel Okimoto
 Brookings Institution Press, 2004

In January 2004, the Shorenstein Forum at APARC hosted an invitation-only conference on the future of America's alliances in Northeast Asia. The papers from the conference, which was attended by some of the most eminent scholars and practitioners in the field, were edited by Michael Armacost and Daniel Okimoto and published in book form by APARC in July 2004. The Brookings Institution will handle the marketing and distribution of the book, which is expected to reach a wide audience in both the academic and policymaking communities.

CONTRIBUTORS: MICHAEL H. ARMACOST, KURT M. CAMPBELL, VICTOR D. CHA, RALPH A. COSSA, RUST M. DEMING, WILLIAM M. DRENNAN, DONALD P. GREGG, JING HUANG, KIM JAE-CHANG, WON-SOO KIM, KURIYAMA TAKAKAZU, DAVID M. LAMPTON, LEE CHUNG-MIN, HIROSHI NAKANISHI, DANIEL I. OKIMOTO, YAMAGUCHI NOBORU.



CLIMATE CHANGE: DEBATING AMERICA'S POLICY OPTIONS
 By David G. Victor
 A Council Policy Initiative
 Council on Foreign Relations, 2004

The book takes a fresh look at climate change, one of the most complex issues facing policymakers today. It offers three contrasting perspectives, each cast as a presidential speech:

One emphasizes the ability of modern, wealthy societies to adapt to the changing climate;

A second urges reengagement with the Kyoto Protocol while demanding reforms that would make Kyoto more effective;

A third urges unilateral action that would create a market for low-carbon emission technologies from the "bottom up," in contrast with top-down international treaties such as Kyoto.

DAVID G. VICTOR, AN SIIS SENIOR FELLOW, HEADS THE PROGRAM ON ENERGY AND SUSTAINABLE DEVELOPMENT AT THE CENTER FOR ENVIRONMENTAL SCIENCE AND POLICY (CESP).



THE RUSSIAN ARMY: 11 LOST YEARS
 Alexander Golts
 Moscow: Zakharov, 2004

In May 2003, Russian president Vladimir Putin named reform of the Russian military one of his three main objectives. Half a year later the Ministry of Defense reported that the most difficult stage of the reform of the Russian Military Forces was complete. But anyone familiar with the Russian army knows well that today it is two to three times smaller and less competent than the former Soviet Armed Forces. As a result, the army lags behind the economic and social progress made in contemporary Russia. In fact, it has become a threat. Hundreds of young people recruited into the army die each year as a result of "crimes and accidents."

In his book, Russian military affairs writer Alexander Golts addresses the reasons efforts at reform have failed in the 11 years since the Russian Military Forces were formed and offers suggestions for how they can succeed in the future.

ALEXANDER GOLTS, DEPUTY EDITOR-IN-CHIEF OF YEZHENEDELNY ZHURNAL, MOSCOW, WAS A 2003 CISAC FELLOW.

BETWEEN DICTATORSHIP AND DEMOCRACY: RUSSIAN POST-COMMUNIST POLITICAL REFORM

Michael McFaul, Nikolai Petrov, and Andrei Ryabov:
 Carnegie Endowment for International Peace, February 2004

For hundreds of years, dictators have ruled Russia. Do they still? In the late 1980s, Soviet president Mikhail Gorbachev launched a series of political reforms that eventually allowed for competitive elections, the emergence of an independent press, the formation of political parties, and the sprouting of civil society. After the collapse of the Soviet Union in 1991, these proto-democratic institutions endured in an independent Russia.

But did the processes unleashed by Gorbachev and continued under Russian president Boris Yeltsin lead eventually to liberal democracy in Russia? If not, what kind of political regime did take hold in post-Soviet Russia? And how has Vladimir Putin's rise to power influenced the course of democratic consolidation or the lack thereof? *Between Dictatorship and Democracy* seeks to give a comprehensive answer to these fundamental questions about the nature of Russian politics.

CONTRIBUTORS: MICHAEL MCFAUL, MIKHAIL KRASNOV, NIKOLAI PETROV, VLADIMIR PETUKHOV, ANDREI RYABOV, ELINA TREYGER.



CISAC SCHOLAR SELECTED AS 2004 CARNEGIE SCHOLAR

Elizabeth Sherwood-Randall, senior research scholar with the Center for International Security and Cooperation (CISAC) at Stanford IIS and a senior advisor to CISAC's Preventive Defense Project, has been selected as a 2004 Carnegie Scholar. She will receive up to \$100,000 for a period of two

years to pursue research.

Sherwood-Randall plans to develop a policy study on the future of U.S. transatlantic relationships. Her study is titled "Transforming Transatlantic Relations: A New Agenda for a New Era." Sherwood-Randall's research, which will begin in September, will seek to understand the elements of continuity and change in the global security environment in order to determine whether and how America's most important alliance, the North Atlantic Treaty Organization (NATO), can remain relevant and effective.

CESP FELLOW RECEIVES CAREER AWARD

Karen Seto, assistant professor in the Department of Geological and Environmental Sciences and a fellow at the Center for Environmental Science and Policy (CESP), has been selected to receive a National Science Foundation Faculty Early Career Development (CAREER) Award. Seto will receive \$430,000 over five years to support her research and educational activities focusing on urban land-use change in Asia.

Building on a comparative framework established by her prior research, Seto's project will use multiple

study sites in China and Vietnam to evaluate the spatial and temporal patterns of urban land-use among government policies, population changes, economic factors, investments, and local institutions.



NEW CHP/PCOR FACULTY

Paul Wise, a pediatrician and health policy researcher whose work has focused on children's health and health-outcomes disparities in developing countries and in the United States, joined the Center for Health Policy/Center for Primary Care & Outcomes Research (CHP/PCOR) in mid-July as a new core faculty member.

Previously a professor of pediatrics at Boston University and vice chief of Social Medicine and Health Inequalities at Brigham and Women's Hospital, Wise will lead new efforts at CHP/PCOR on children's health policy and outcomes research. In his current research, he is examining how the diffusion of medical technology influences disparities in health outcomes.

Building on his undergraduate degree in Latin American studies—followed by an M.D. from Cornell University and a master's in public health from Harvard—Wise has worked to improve health care practices and policies in developing countries. He is involved in child health projects in India, South Africa, and Latin America, targeting diseases such as tuberculosis and AIDS.

NEW CHP/PCOR ASSISTANT DIRECTOR

Vandana Sundaram has been appointed CHP/PCOR's assistant director. In her new capacity, Sundaram will work closely with CHP/PCOR executive director Kathryn McDonald to ensure that the research, educational, and outreach goals of the centers are met.

Sundaram has worked at CHP/PCOR for the past four years as a director of several large-scale projects. They include the development of a scientific basis for HIV screening guidelines among veterans; systematic reviews of the effect of quality improvement strategies for diabetes, hypertension, and medication management; and the use of modeling to assist in resource allocation decisions for HIV/AIDS prevention and control. She has a master's degree in public health from Yale University and a bachelor's degree in economics from Madras University, India. She previously worked as an epidemiologist at the New York City Health Department, focusing on tuberculosis control and maternal and child health.

NEW CDDRL ASSOCIATE DIRECTOR

Kathryn Stoner-Weiss is the new associate director of research and senior research scholar at the Center on Democracy, Development, and the Rule of Law (CDDRL).

Prior to coming to Stanford, she was on the faculty at Princeton University, where she taught political science. In addition to several articles on contemporary Russia, she is the author of *Local Heroes: The Political Economy of Russian Regional Governance*; *Resisting the State: Reform and Retrenchment in Post-Soviet Russia* (forthcoming); and editor (with Michael McFaul) of *After the Collapse of Communism: Comparative Lessons of Transition*. She holds a Ph.D. in government from Harvard University.

RECENT PUBLICATIONS

"Power-Sector Reforms in India: Issues Relating to Agriculture," by Rafiq Dossani. *IIMB Management Review*, March 2004

"Prospects Brighten for Long-Term Peace in South Asia," by Rafiq Dossani. Working Paper, APARC. April 2004

"Probabilistic Integrated Assessment of 'Dangerous' Climate Change," by Stephen H. Schneider and Michael D. Mastrandrea. *Science*, April 23, 2004

"Airborne Boost-Phase Ballistic Missile Defense," by Dean Wilkening. *Science and Global Security*, 2004
Toward a 21st Century Health System: The Contributions and Promise of Prepaid Group Practice, by Alain C. Enthoven and Laura A. Tollen. San Francisco: Jossey-Bass, 2004

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A \$2 MILLION GIFT HONORING Professor William J. Perry, from telecommunications entrepreneur Jeong H. Kim, will create a new endowed professorship on contemporary Korea to be established jointly by the Stanford Institute for International Studies and the School of Humanities and Sciences.

Perry, the 19th secretary of defense of the United States, currently holds the Michael and Barbara Berberian Professorship and is a senior fellow at SIIIS. Upon Perry's retirement from Stanford, the new Korea chair will be named the William J. Perry Professorship.

Jeong H. Kim is the chairman of Cibernet, a global leader in wireless financial settlement services, and a member of Stanford IIS's Board of Visitors.

THOMAS ROHLEN, PROFESSOR EMERITUS, School of Education and Senior Fellow Emeritus, Stanford IIS, has made a gift to endow a new professorship, the Thomas Rohlen Professorship in Contemporary East Asia, with a preference for a faculty member in the Department of Political Science. The Rohlen Professorship is the second chair to be established in 2004 jointly by the Stanford Institute for International Studies and the School of Humanities and Sciences.

A longtime scholar of contemporary Japan, Professor Rohlen played an instrumental role in the development of the Institute's Asia-Pacific Research Center and the Stanford Japan Center in Kyoto.

STRENGTHENING FACULTY IN INTERNATIONAL STUDIES is a major goal for the university and for SIIIS. SIIIS draws its strength from faculty in the seven schools whose interests in contemporary, policy-relevant international issues motivate them to affiliate with the Institute. New gifts such as these provide invaluable support for crucial interdisciplinary linkages, enabling the Institute to partner with a school in making joint faculty appointments.

For more information about making a gift to SIIIS, please contact Evelyn Kelsey, associate director for development and public affairs, at 650-725-4206 or by email at ekelsey@stanford.edu. Detailed information about SIIIS gift opportunities can be found on the Institute's website: <http://siis.stanford.edu>.

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WELCOME TO
Encina COLUMNS

This issue of *Encina Columns*, the Stanford IIS newsletter, comes out shortly before the November 2004 U.S. presidential election, at the end of a campaign that has largely been dominated by the war in Iraq and its aftermath.

The role of foreign policy in U.S. presidential elections is one of the themes of this issue. Another is the state of global warming, as seen by Donald Kennedy, one of the country's most eminent scholars on this topic. A third, the focus of an interview with law professor Allen Weiner, is whether today's international security architecture is well suited to respond to modern threats of terrorism and war.

The state of the world the newly elected president will face is the concern of SIIS scholars, whose work in areas ranging from nuclear nonproliferation to Japan's economic recovery is profiled in this issue. Other topics are the problem of historical injustice in northeast Asia, the geopolitics of natural gas as seen by David Victor's world energy program, and the ongoing search for an HIV/AIDS vaccine, in which scholars in our Center for Health Policy (CHP) are involved.

As in previous issues, we introduce new faculty members and highlight the work of others at SIIS that has brought credit to the Institute and to Stanford. We take note of the new and generous gifts to SIIS that have enabled us to strengthen our Korean studies program and to reinforce Stanford's leadership in the study of contemporary Japan.

As part of Stanford University, faculty at SIIS take their teaching mission very seriously. As examples of this, the fall issue highlights two important teaching programs, the undergraduate honors programs in international security and in environmental science, hosted by the Center for International Security and Cooperation (CISAC) and the Center for Environmental Science and Policy (CESP), respectively. This past academic year, 10 CISAC and six CESP honors students graduated from the two programs.

Encina Columns is published each fall and spring. We hope you find it stimulating and informative, and we welcome your involvement and your comments.



COIT D. BLACKER, DIRECTOR