

trade relations, according to Elinor Lynn Heinisch, a press officer with the aid organization CARE. It proved that politically and economically weak countries can effectively challenge farm subsidies in the world's strongest nations.

Cotton is the most important export crop of Burkina Faso, Mali, and Benin, the world's 4th-, 10th-, and 16th-poorest countries. Farmers in landlocked Burkina Faso, located to the north of Ghana, can grow cotton at a cost of 21 cents per pound, working plots of two to three acres by hand and relying on rain for irrigation. The cost of cotton production for U.S. farmers is between 68 and 80 cents per pound.

Simple arithmetic would suggest that the African farmers would put the Americans out of business, but America's 30,000 cotton farms claim to provide some 440,000 jobs, and the cotton lobby is an important political player in Washington. The U.S. government spends \$3.9 billion a year on subsidies to American cotton farmers, Heinisch writes, paying many producers the difference between the market price—currently hovering a bit above 50 cents per pound—and a “target price” of 72 cents per pound.

The Africans took their complaints about the subsidies to the World Trade Organization (WTO), piggybacking on a cotton-related unfair trade practice case brought by vastly richer Brazil. (Few developing countries have the legal or financial resources to bring a case on their own.) They contended that subsidies caused U.S. farmers to produce more cotton than they would otherwise grow, sell it at an artificially low price, and undermine the livelihoods of farmers in the three West

African nations. Cotton producers there are not subsidized, and government intervention in cotton markets has been cut back, leaving farmers' incomes to rise and fall with world prices.

The Africans became the public face of an immensely complicated world trade issue. For the first time, an African head of state testified before the U.S. House of Representatives International Relations Subcommittee on Africa. President Amadou Toumani Touré of Mali and President Blaise Compaoré of Burkina Faso published an op-ed piece in *The New York Times*. Officials of all three countries flew to Geneva, where the WTO was meeting, and spoke elsewhere in Europe. They enlisted allies in international agencies and charities. At one point, the WTO director-general broke from “conventional neutrality” to say that the African complaints had merit, according to Heinisch. The cotton campaign paid off in March 2005, when the WTO ruled in favor of Brazil—and its African allies—and the United States announced it would move to comply.

Brazil, seizing the possibility that a revived Doha round of trade talks might permanently level the playing field for international cotton producers, put off its demand for \$3 billion in damages from the United States. Now that the trade negotiations have collapsed, it remains to be seen whether Brazil's African supporters will try to wrest more from the U.S. Department of Agriculture than the \$7 million “cotton improvement program” offered. It is a paltry substitute, the Africans have said, for fair prices in the global free market.

OTHER NATIONS

The 1.3-Million-Person Gap

THE SOURCE: “Voodoo Demographics” by Bennett Zimmerman, Roberta Seid, and Michael L. Wise, in *Azure*, Summer 2006.

ISRAELI AND PALESTINIAN LEADERS sing from the same score on only one topic: demographics. The rapidly growing Palestinian population could eventually overwhelm Israeli Jews by sheer force of numbers. As the late Yasir Arafat said, “The womb of the Palestinian woman will defeat the Zionists.”

But the numbers behind the Palestinian “demographic time bomb” are inflated, contend Bennett Zimmerman, a former strategy consultant with Bain & Company, historian Roberta Seid, and Michael L. Wise, a specialist in mathematical modeling. The actual Palestinian Arab population is only 2.5 million—not the 3.8 million reported by the Palestinian Authority. Palestinians are nowhere close to outnumbering Israel's 5.5 million Jews, even if the Israeli Arab population of more than a million is included.

The 1.3-million-person gap began to open up in 1997, when the Palestinians conducted their only census, say the authors. In one dramatic leap, the official Palestinian population jumped by 30 percent. The new figure was achieved by double-counting 210,000 Arabs who lived in Jerusalem—they had already been counted in Israel's census—and by adding at least 325,000 Palestinians who were living outside the Palestinian Authority's territory, including many residing overseas. Since then, the Palestinian

Authority has routinely increased its population estimates by 4.75 percent annually, based on high 1997 estimates of growth and immigration rates. In fact, Palestinian birthrates have dropped. The Palestinian Ministry of Health recorded 308,000 fewer births than were expected between 1997 and the end of 2003. And it's a dirty little secret that more Palestinians are leaving the West Bank and Gaza than are moving in, thanks to Palestinian-incited violence, the authors argue.

Demographic projections need not be demographic destiny, the authors say. It's even possible that Israeli Jews could increase their share of the population in Israel and the West Bank. Palestinian fertility rates are falling while Jewish rates (already the highest in the advanced industrial world) are rising, and there's always the possibility of a fresh influx of Jews from abroad akin to the unexpected arrival of one million Soviet Jews.

Palestine's millions remain a challenge to Israel, the authors allow, but the "Arab demographic time bomb is, in many crucial respects, a dud."

OTHER NATIONS

The Guggenheim Effect

THE SOURCE: "The Return on Investment of the Guggenheim Museum Bilbao" by Beatriz Plaza, in *International Journal of Urban and Regional Research*, June 2006.

WHEN A DECAYING INDUSTRIAL city in the Basque country decided in the 1990s to spend the equivalent of about \$200 million on a modern art museum, critics sput-

tered over the squandering of so much public money on something so irrelevant and exclusive. But today, Bilbao, Spain, is known throughout the world for its "Guggenheim effect."

Bilbao provides an ideal laboratory for the study of the effects of "signature architecture" on a city. Unlike London, Madrid, or New York, where museums and cultural attractions are launched almost as frequently as computer upgrades, Bilbao changed only one major thing in 1997: it opened a spectacular Guggenheim museum. Noted, if at all, for its pollution and past Basque

Bilbao's success still depends on razzle-dazzle shows to complement the architecture.

separatist activity, Bilbao was transformed by the inauguration of Frank O. Gehry's building, considered a masterpiece of 20th-century architecture. Yet many of its original critics have questioned whether it has performed the hoped-for economic miracle.

Beatriz Plaza, an economist at University of the Basque Country in Bilbao, reports that the museum paid for itself in nine years, a world record. When it opened, tourism increased immediately. The number of hotel stays rose by 61,742 a month, Plaza writes, producing an "extra" 740,000 hotel stays a year. The museum has generated 907 jobs,

and helps support 4,500 more. It has had positive effects on such occupations as translation, library services, and handicrafts, and has increased the demand for knowledge of foreign languages, tourism packaging, advertising, marketing, film, and business management.

Plaza notes that signature architecture, even by celebrity architects, is no guarantee that expensive high culture can turn around a stagnating city. Bilbao was fortunate in getting Gehry's most acclaimed building. "It must be remembered that it could also have failed," Plaza writes. Even the most noted architects have their "off" buildings. The new Santiago Calatrava wing of the Milwaukee Art Museum has not attracted as many visitors as first projected. The Royal Armouries Museum in Leeds, England, which expected 1.3 million annual visitors, has had fewer than 200,000.

Rare for Europe, the Guggenheim has adopted market-oriented budgeting aimed at making the museum staff more efficient and sensitive to customers' tastes. Seventy percent of operating costs must be covered by museum revenues and 30 percent by the Basque government. To raise the necessary funds, the museum has staged blockbuster exhibitions.

Bilbao should not be "uncritically replicated elsewhere," Plaza cautions, because the risks were high, and success even now depends on the curators' coming up with new razzle-dazzle shows to complement the architecture and keep the public coming.