

The IAEE Comes Full-Circle

By Paul Tempest*

In the fall of 1979, when the IAEE convened its first International Conference in Washington DC, the stock and financial markets were in turmoil, the oil price in the process of doubling and the Middle East ablaze and fearful after the expulsion of the Shah of Iran by radical and fundamentalist revolutionaries. One half of internationally traded oil then had to pass the narrow and vulnerable Straits of Hormuz dominated from the long coastline of Iran by the well-equipped and well-trained Iranian navy and other armed forces. Armageddon was again being preached, a mere six years after the quadrupling of the oil price and the Middle East embargoes of 1973-4 had demonstrated the power of the key oil producers to induce very rapidly global inflation, economic recession world-wide and financial mayhem. In Washington, energy security was again at the top of the political and economic energy and within one year, Iraq and Iran were locked in an 8-year war (1980-88) which claimed a million young lives and which blighted the hopes and welfare of a whole generation of Iranians and Iraqis.

In June 2006, it is much the same story as in 1979 – acute market uncertainty generated by political confrontation and unrest in the Gulf region, an investment shortfall in that region and renewed overheating of the Gulf producer economies. Again there has been a doubling of the oil price over the last two years. Again, the West has acted swiftly to intervene, and under the pretext of eliminating (non-existent) weapons of mass destruction, seems intent on prolonging its occupation of Iraq and its military presence elsewhere in the Gulf region. The near-completion of the largest embassy in the world, built by the United States in the heart of Baghdad for some 3,000 staff, has delivered an unmistakable message to the Middle East and world-wide that the United States intends to stay on the ground in one form or another.

The Founding of the IAEE 1977-79

Into the ferment of 1979, came the new International Association of Energy Economists. Backed by strong support from the White House, some heavy funding, the presence of

*Paul Tempest attended the first IAEE International Conference in 1979, held in Washington, DC, on behalf of the UK Department of Energy and the Bank of England. He was Chairman of BIEE in 1980-82 and, as Conference Chairman ran the 2nd, 4th and 6th International IAEE Conferences in 1980, 1982 and 1984, all held in Churchill College, Cambridge, UK. He was a Vice-President of the IAEE in 1982-3 and President in 1984. In the BIEE he has served more or less continuously on the BIEE Council since 1980, as Chairman again in 1986-7 and as Vice-President since 1987. He was IAEE and BIEE Council Co-ordinator of the 25th annual International Conference in Aberdeen, Scotland in 2002 and has recently been presenting at IAEE Council meetings in Bergen, Denver and Potsdam an outline BIEE bid for the IAEE annual European Conference to be held in St John's College, Oxford, UK in 2008 and an outline bid for the IAEE annual International to be held in the UK in 2009, 2010 or 2011.

all the leading oil multinationals and several hundred eager and hungry independent economists, energy consultants and academics, it was off to a feverish start in its first international conference. A powerful input was the wisdom and eloquence of Chauncey Starr of EPRI and of Mory Adelman of MIT. Also the conference enjoyed the active support of the International Energy Agency opened in Paris in 1974 to represent the interests of the industrialised world as a counterpart and contingency mechanism to the OPEC countries led by Saudi Arabia and, up to that point, by Iran and Iraq.

Since then, as the IAEE rapidly acquired an international membership with national chapters in some 30 countries, it has become politically correct for successive IAEE Presidents to describe the genesis of the IAEE in terms of the simple notice placed on an American Economic Association notice-board in 1977 suggesting a splinter organisation specialising in energy economics and providing opportunities to access the rapidly widening employment, consultancy and training demand. Yet the political imperatives were what drove the first conference forward.

The Second International in Cambridge University, UK, 1980

By the second International in Cambridge UK in 1980, the IAEE was providing, on more or less neutral ground, the very first serious venue for an extended open debate, better described as a three-day verbal joust, between the U.S. Administration represented by James Sawhill for the U.S. Department of Energy and the Arab OPEC producers represented by Ali Attiga, Secretary-General of OAPEC. Both scored many points; neither was wrong-footed. The atmosphere in the auditorium was electric. Here was history being made with the first glimmer of a consumer- producer dialogue conducted rationally and sensibly and seeking outcomes which would enhance global economic growth and minimise the risk of disruption, recession and market chaos. Hosted by the genial and unruffled Sir William Hawthorne, Master of Churchill College and previously the Chief Scientific Adviser to the British Government, acrimony, jargon and cheap political propaganda were set firmly to one side, and the common ground explored and delineated step-by-step. Here was a route-map of how energy economics could provide a neutral mechanism for resolving acute political confrontation. It very quickly became clear that oil and gas import and export dependency had an over-riding common interest in the preservation of free global markets, expanding international trade and ensuring the free flow of capital, advanced skills and new technology.

The 29th International Conference, Potsdam, Germany, June 2006

Plus ça change! It is perhaps premature to assess the impact of this year's International IAEE conference and IAEE Council meetings in Potsdam, but I would hope to do so in a later paper that places it in the context of some of the highlights and political impacts of the previous 28 Internationals. Its title was *Securing Energy in Insecure Times*.

Let us begin with a few statistics of the 29th International

in Potsdam... The proceedings were supplied on arrival in CD and 492-page printed form - 250 papers out of the 300+ submitted and pre-vetted, a prestigious outlet for the 478 authors. All had been meticulously sorted into topic categories and carefully edited - a massive task for the two chairmen, Professors Ulf Hansen and Georg Erdmann. There were 53 concurrent sessions, three large plenaries, plus an opening session led by Lord (David) Howell of Guildford on global energy issues today and Ulf Boege, President of the Federal Cartel Office on German priorities within a European context.

So today the IAEE is still able to mobilise a top political input in addition to a most comprehensive technical agenda. It draws on 3000 individual members from 60 different countries. Of these 1150 are in Europe, roughly matched by 1300 in North America and a steeply rising 550 in South East Asia. In addition it now has annual North American, European and now Asia-Pacific regional conferences and many very active national chapters each with its programme of meetings, seminars and other activities. It looks well equipped to face the challenges of the future.

“Energy in a World of Changing Costs and Technologies”

26th USAEE/IAEE North American Conference, Ann Arbor, MI, September 24 - 27, 2006

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IAEE is pleased to highlight our online careers database, with special focus on graduate positions. Please visit http://www.iaee.org/en/students/student_careers.asp for a listing of employment opportunities.

Employers are invited to use this database, at no cost, to advertise their graduate, senior graduate or seasoned professional positions to the IAEE membership and visitors to the IAEE website seeking employment assistance.

The IAEE is also pleased to highlight the Energy Economics Education database available at <http://www.iaee.org/en/students/eee.aspx> Members from academia are kindly invited to list, at no cost, graduate, postgraduate and research programs as well as their university and research centers in this online database. For students and interested individuals looking to enhance their knowledge within the field of energy and economics, this is a valuable database to reference.

Further, IAEE has also launched a Scholarship Database, open at no cost to different grants and scholarship providers in Energy Economics and related fields. This is available at <http://www.iaee.org/en/students/ListScholarships.aspx>

We look forward to your participation in these new initiatives.

Brazilian Association for Energy Studies (AB3E)

The Brazilian Association for Energy Studies (AB3E) was created in March 2006 having as a main objective to promote studies in multidisciplinary issues in energy, economics and engineering (the 3 Es) involving strategic aspects, such as planning, forecasting and emerging technologies. AB3E intends to support actively the scientific and technological debate on energy economics through publications and events.

AB3E is the first IAEE affiliate in South America.

AB3E current board of officers is as follows:

- President: Sergio Valdir Bajay (Unicamp)
- Vice-President: Ennio Peres da Silva (Unicamp)
- Secretary: Edmar Luiz Fagundes de Almeida (UFRJ)
- Secretary substitute: Felipe Augusto Dias (IBP)
- Treasurer: José Antonio Scaramucci (Unicamp)
- Treasurer substitute: Enrique Ortega Rodriguez (Unicamp)

All AB3E officers are IAEE members.



Ennio Peres da Silva, Sergio Valdir Bajay and José Antonio Scaramucci.

AB3E also has a financial supervising committee comprised of Carlos Alberto Mariotoni, Mario Oscar Cencig and Ademar Ribeiro Romeiro (substitute).



Ivan Marques de Toledo Camargo, Edmilson Moutinho dos Santos, Maurício Tiomno Tolmasquim and César Benjamin.

AB3E organized its first event in September. It was a debate held in Campinas on energy programs of the candidates

for president of Brazil and governor of São Paulo state.

In a session mediated by AB3E member Edmilson Moutinho dos Santos, the energy programs for presidential candidates Luiz Inácio Lula da Silva (PT), Geraldo Alckmin (PSDB) and Heloísa Helena (P-Sol) were presented by Maurício Tiomno Tolmasquim, Ivan Marques de Toledo Camargo (AB3E affiliate) and César Benjamin, respectively (above).

In the opening session, Márcio Zimmermann, secretary for energy planning of the Brazilian Ministry of Mines and Energy, talked about the Brazilian energy sector and its present major challenges.



Marcio Zimmerman talks at the opening session

(mainly biofuels) and long-term planning.



Edmar Luiz Fagundes de Almeida and Felipe Augusto Dias

In 2007, AB3E will hold a seminar for graduate students to present 20 previously selected papers in energy economics. Three of the authors will be selected by an AB3E referee committee to get financial support to go to Florence for the 2007 IAEE European Conference.

Upcoming events include a seminar on global climate changes and a Latin American energy-economics conference (Mexico and Brazil are currently the only IAEE affiliates in Latin America).

AB3E is also interested in hosting the annual IAEE international conference in the near future, in Rio de Janeiro or Campinas.

José Antonio Scaramucci