

Report 120
PROJECT ON BUSINESS AND POLITICS IN THE
MUSLIM WORLD

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This is the summary of the whole Euro-America zone (zone 3) taking into account the political, economic, socio-cultural and geo-strategic issues around North America/Canada, Western Europe, Latin America/Southern Europe, Southeast Europe, Oceania, Russia and its Neighbour and East/Central Europe.

Report Summary

USA/Canada

Political Issue

Senatorial party primaries are on in the U.S but characterised by discontentment for the establishment. The primaries are showing the deep rooted feelings of Americans, how they would want change to be effected in Washington through new elected public officers. It was a test for both democrat and republican parties as their supports were shaken by the primaries. The primaries also accentuated the weakness of Obama's endorsement on fellow party members.

Support for political parties in Canada continues to fluctuate; recent poll by Ekos suggests that the minority conservative government is heading all opposition parties. The Liberal opposition party is 10% behind the conservative party.

Economic Issue

United States financial regulators are geared at stepping up rules that will further guide financial conduct as preventive measure to guide against the repetition of stock market's epic dive. The measure is termed as circuit breaker which will give investors a break during extreme market dips; they'll be less likely to set off a chain reaction of human and computerized selling. Similarly, the Senate passed a far-reaching financial regulatory bill that broadens government influence on the banking system and financial markets; with the measure any eventual reoccurrence of 2008 financial crisis could be abated.

Social/Humanitarian Issue

The scar of 9/11 will always trouble the minds of relatives of victims, sensitive about anything related to the religion of those accused of perpetrating the dastard event. The construction of a mosque close to Ground Zero is becoming an issue, while some believes such will further raise anxiety of 9/11 relatives, Muslim group and other

American sympathizers believe it is their right and would be an opportunity and important for Muslims to be stakeholders in what Ground Zero symbolises.

Meanwhile, the congressional investigators into the alleged attempt by Umar Farouk Abdulmutallab to blow up a Detroit-bound airliner has come up with 14 points kicking at the intelligence agencies for failing to monitor him closely and linked such failure to the intelligence lapse leading to 9/11.

According to latest poll, Americans are divided over the Arizona immigration law which allows police to detain any person suspected of being illegal immigrant. The poll shows a generational gap as most adult white throw their support for the law, while young Americans who have been experiencing intercultural environment find it hard to digest. The division could be a hurdle to having a federal overhaul solution on same issue. The visit of Mexican President Felipe Calderon to the White House was focused on the Arizona immigration law along with imminent issues like drug and climate

Food, Environment and Energy Issue

Geostrategic Issues

Western Powers along with China and Russia agreed on new sanctions on Iran. The new sanctions were against Iranian financial institutions, including those that supported the Islamic Revolutionary Guards Corps. Members of the Guard Corps are responsible for overseeing the military aspects of the nuclear program and have assumed commanding roles in the broader Iranian economy. However, the Chinese blocked any measure that would stop the flow of oil from Iranian ports or gasoline into the country. The new sanctions come amid Iran's negotiation with Brazil and Turkey over nuclear swap. Brazil and Turkey, non-permanent UNSC members rejected the sanctions and rather called for acknowledging the diplomatic break through as Iran has agreed on nuclear swap.

The United States has notified HCOC, an organization overseeing efforts to curb the spread of such weapons that pre-notification regarding the launch of ballistic missile tests or satellites will always be issued. Although the document is said to have exempted certain weapons, yet it was reported as an attempt by the United States to consolidate the new START treaty reached with Russia.

Western Europe

Political Issue

Nick Clegg, British new deputy prime minister is geared at reforming the country's law that would better accord freedom to the citizens than limit it. Clegg vowed to deliver the most significant changes to British democracy since the Great Reform Act of 1832. That legislation changed the political system to grant more citizens the vote.

Unlike the conservative Eurosceptic, the Liberal party would like more of British-EU interaction and ultimately Britain becoming part of the Eurozone.

Economic Issue

Most Greeks are bleeding financially and still unsettled with the austerity plan of their government and are ready to puncture the economy much further with industrial strikes in a bid to force the government to change its course which is unlikely to happen. Athens will have to maintain a strict financial policy in order to remain within the conditionality given by IMF and the EU, as Athens receives bailout funds.

The German government is out calling for a tough regulation of international market. Chancellor Angela Merkel hopes to create a European benchmark that will help monitor and regulate budget indiscipline. The move is said to be a coordinated approach to removing stimulus measures put in place to support economies and to ban naked short-selling. Naked short-selling involves traders selling shares or investments they don't hold in hopes of buying them cheaper later; it's a way of betting a financial asset will fall in price and profiting from the fall. It is yet unclear if other Europeans will consent with Germany on the regulation.

Social/Humanitarian Issue

The release of Ali Vakili Rad, an Iranian accused and charged for killing Shahpour Bakhtiar, who served as prime minister under Iran's shah before the 1979 Islamic Revolution. The air is replete with the news that Vakili Rad was released and swapped for Clotilde Reiss, 24, a French citizen arrested in Iran during the post-election unrest. Authorities of both countries have rejected the view of prisoner swap.

The International Court of Justice has accepted and approved the withdrawal of Honduras's petition against Brazil; the latter is accused of meddling in Honduras political matter by harbouring ex-President Manuel Zelaya at the Brazilian embassy in Honduras.

The British government is planning to make the largest digitalized newspaper archive that will preserve past events for research. The plan is to digitize up to 40 million pages of newspapers, including fragile dailies dating back three and a half centuries.

Google, the US internet giant is pitted in debate with European capitals over privacy rights. Europeans are alleging Google of storing fragment of their personal activities online which is a breach of privacy right. German authority is spearheading the prosecution with the support of UK asking for the data to be destroyed.

The Portuguese conservative government reluctantly approved the law that permits same-sex marriage in order for the government to focus on depressing economic problems. Portugal a predominantly Catholic country becomes the six European countries allowing such practice. Days back, during Pope Benedict visit to the country he condemned both homosexuality and abortion as dangerous to the world.

Debate over ban of veil in France is on-going and latest development suggests that the French Justice Minister Michele Alliot-Marie presented a draft law with a fine of \$185 for anyone violating the veil ban law. The president is in hurry that the parliament concludes on the law which the Council of State deemed unconstitutional. Muslim women are protesting against the ban and vow to take the case to the European Human Right Court.

The Vatican responded to the technological breakthrough in the United States by which synthetic cell from man's DNA was created. The church though acknowledges the scientific development but warns against the misuse of the invention if standing contradictory to the view that life only comes from God

The Britain's Iraq war inquiry panel headed by former civil servant John Chilcot are in the U.S continuing their inquiry though not publicize those whom to interview. The panel is tasked to investigate the run-up to the Iraq invasion, a war punctuated by mistakes. The essence of the panel is questioned as it has no power to apportion blame or establish criminal or civil liability.

Food, Environment and Energy Issue

Having experienced an unprecedented air travel derailment caused by natural phenomenon. The EU aviation safety body has drafted rule that will give more flexibility to national air traffic controllers and will involve the creation of a European crisis coordination center to ensure a smoother response to emergencies like the ash scare which grounded flights in April.

Geostrategic Issues

Greece-Turkey relation saw a new look with the visit of Turkish Prime Minister Recep Tayyip Erdogan to Athens. It was historic in all sense as both countries have been at loggerhead on Cyprus conflict. With the visit both countries signed numerous bilateral agreements and hope to further normalise ties.

Southeast Europe

Political Issue

Political impasses between ruling and opposition parties in Albania persist. The latter wants the ruling party to reopen the ballot boxes of the June election 2009 under a third party (EC) investigation. Meanwhile meeting held at Strasbourg between the two parties to finding a solution to the looming political rift was also fruitless.

Albanian government is planning orientation for the citizens about the positives and restrictions of the EU liberalisation scheme. The orientation will be managed through Albanian media houses. Meanwhile, Tirana hopes to raise its status in the OIC from

deputy-minister level to foreign minister level. Critics argue that Albanian government is closer to the U.S and EU at the cost of Islamic countries.

Political consensus transpired at the Croatian parliament as parliamentary committee on the constitution agreed on almost all proposed amendments, the sole exception being the controversial issue of the expatriate voting from Bosnia.

Kosovo authority believes peaceful negotiation with Serbia can only surface after the ICJ ruling. The independence of Kosovo has not been peaceful due to the influence of Serbia in the Serb populated north of Kosovo. Similarly, the authority is reported to be satisfied with the EULEX criminal investigation ongoing in the country. As part of the process to purge the country from corruption, two government officials were investigated last week. The investigation has raised the profile of the institution in the EU.

The ethnic Albanian Democratic Union for Integration (DUI) Macedonia, leader Ali Ahmeti rejects the report that his party will quit the coalition government. Ahmeti holds that his party hopes to work for Macedonia-EU integration and finding solution to the name dispute between Skopje and Athens.

Romanian parliament has adopted a law on lustration that limits the involvement of former communist officials in politics. The bill was supported by 203 of the 343 members of the Chamber of Deputies.

Montenegrin Foreign Minister Milan Rocen visited Ljubljana on Friday and said that ousted Thai Prime Minister Thaksin Shinawatra, who has a Montenegrin passport, must not use the country as a base for sending political messages to his homeland. In April, Shinawatra said in Montenegro that he was in touch with supporters in Thailand.

Economic Issue

The European Bank for Reconstruction and Development in its annual report states that economies in the Balkan region will register growth of 3.7% this year, instead of the 3.3% forecast in January. At the same time, the Bank warned recovery remains fragile, "with increasing differences in the pace of growth across countries and new risks arising from fiscal pressures and financial volatility in Western Europe.

The IMF has reportedly agreed with Serbian government for a possible hike in public sector wages and pensions. Prime Minister Mirko Cvetkovic noted that Serbia has emerged from economic crisis, and returned to an annual GDP growth of 1% in the first quarter of this year.

Social/Humanitarian Issue

Romanians in hundreds staged a massive protest against government austerity plan by which salaries and pensions will be slashed. Joining the demonstration were public officers, police officers, teachers, health and public administration staff, who

called on the government to resign, but the government believes the measure is simply to stabilise the economy.

The diaries found in Bosnian Serb commander Ratko Mladic's wife apartment has been turned over to the UN war crimes tribunal and the court will be using the document for prosecuting Serbs under prosecution at The Hague. Meanwhile, court still has an axe to grind with Serbia over mass grave found near Raska, in southern Serbia.

Food, Environment and Energy Issue

The European Parliament showed the sense of commitment by approving allocating an additional 300m-euros in compensation to Bulgaria by 2013, for dismantling the four oldest units at the Kozloduy nuclear power plant.

Geostrategic Issues

Kosovo will be sitting along with Serbia in the EU-Western Balkans conference in Sarajevo next month. It will be the first meeting featuring Belgrade and Pristina after the latter declared itself independent. Meanwhile, Somalia became the 69th countries recognising Kosovo's independence.

As both Kosovo and Serbia awaits the ICJ rulings on Kosovo's status, relations between the two remains fragile. Kosovo Serbs are becoming weary of unfruitful talks, rather asking Serbia to see to their economic wellbeing. They are wary as well about any sort of negotiation that could bring Kosovo and Serbia to the table; instead Belgrade is seen as lacking influence and should rather accept the reality of Kosovo.

Oceania

Political Issue

Australian opposition leader Tony Abbott dropped a comment that may likely hurt his party as the country prepares for election. Abbott was reported saying before a TV programme that politicians should not be trusted all the time, backing up his comment after huge uproar he said he was just be candid with the voters.

Economic Issue

Social/Humanitarian Issue

Anti-Muslim politicians in Australia's most populous state, New South Wales failed in their move to see the ban of veil in the state. The parliament rejected the proposal by 26 to 3 votes. Debate for the veil ban was triggered by national Senator Cory Bernardi arguing that veil could be used for robbery.

Aborigines in central Australia have recorded the highest pneumonia in the world after Gambia. The study to the disease was carried out in accordance with WHO strict definition. Children between age one and two are affected by the disease in the rich country like Australia

Similarly, Australia has huge reserve of talent and potentials; aborigine community is part of the untapped talent of the country. They live in impoverished situation and are mostly unemployed. Anti-poverty campaigner Bob Geldof cautious against this trend, asking the government to work harder in addressing the situation, if the situation remains it will be 'economically stupid'

Food, Environment and Energy Issue

Geostrategic Issues

Latin America

Political Issue

Chilean President Pinera is struggling for an electoral reform which will allow more electorates to vote and allow him get opposition's support for \$8.5 billion fund geared at reconstruction of the country.

Economic Issue

European Union and Mercosur reiterate their commitment to having a strengthened economic relation. Both blocs have been exchanging talks on this process and the recent EU-Latin America summit will further enunciate the discussion.

Mexican President Felipe Calderon was in Washington, where he discussed the recent Arizona immigration law with President Obama. Their talk is expected to feature other looming issues such as the NAFTA agreement.

Chavez 21st century socialism continues to receive criticism as the government intensifies its effort to kick against profound capitalism and its supporters. Meanwhile, illegal currency operators were clamped down as the business proliferate across the country

Nonetheless, Chavez has recently signed a deal with the oil companies of India, Japan, Spain and United States. In exchange the companies will invest US \$40 billion in Venezuela. This joint venture is expected to produce 50,000 barrels of oil per day in the end of 2010 and 400,000 barrels of oil per day in 2016. Last week Venezuela has also signed a deal with China's development bank and that deal will provide opportunity to the Chinese oil companies to explore oil in Orinoco oil belt and in exchange

Social/Humanitarian Issue

Saifur Rahman, the Pakistani apprehended in Chile is exonerated from having link with the Time Square bomb issue, yet the U.S embassy still holds that he was arrested with explosive around the embassy which he declined.

Argentina holds the credit as the first Latin America legalizing same-sex marriage, but such privilege was un-thought in Mexico, where same-sex partners were battered. Meanwhile, Mexican government is still confronted with the fight against drug lords, a ring of violence that has caused lot of human right violations. Human Rights critics are of the view that military personal are involved in kidnapping, rape, torturing and killings of innocents. Despite its fight against drug lords, the Mexican government is accused of having soft spot for Sinola cartel, the largest and richest drug cartel in Mexico and in the whole region.

Food, Environment and Energy Issue

Geostrategic Issues

The Argentinean President Fernandez de Kirchner has called on the newly constituted British government and the EU to resort to negotiation in resolving the dispute between Argentina and London over the Falkland Island. During the last summit of UNASUR, the bloc threw support for Argentina over the Island, while the EU Lisbon treaty believes the Island belongs to Britain.

Argentina's government has made an agreement with the United Nations' Office of Drug and Crimes (UNODC) to collaborate with each other to fight against drug trafficking, weapon smuggling, human trafficking and money laundering in the region.

The Brazilian president has departed Brazil for comprehensive diplomatic adventure. Lula is expected in Russia to clinch deals with the BRIC member, and in Qatar to show how his country is interested in the Middle East, in Iran to mediate over nuclear deal and to sign bilateral trade agreement, a visit to Portugal and Spain for the EU-Latin America summit.

Leaders of Peru and Chile availed the Madrid summit to stitch up the diplomatic patch between them. Relation between the two neighbours has been strained over 100,000 miles in Pacific Ocean.

In response and reference to Chavez's insinuation that if Mr. Santos is elected as Colombia next president he will attack Venezuela and Ecuador, Colombian foreign minister during the OAS summit played down such comment as baseless.

Meanwhile, Chavez refused attending the EU-Latin America summit, protesting against the coup that ousted Honduras ex-President Manuel Zelaya. He believes Zelaya should be invited as the de facto president.

Russia and its Neighbours

Political Issue

Analysts share the view that wind of change in Russia cannot make oblivious the legacy of Stalin. Most recently, Russia president publicly disregard the humanitarian violation during the Stalin's era. The shift is noted by few as measure of appeasing the west.

Reports are unfolding that a mobile phone video could be used to indict Russia in the recent past Polish's plane crash. Russia has rejected the video saying it is digitally manipulated, although both countries are still investigating the crisis.

The Hungarian parliament has finally approved changes in the constitution that would reduce the number of MPs to 200 from the current 386. The reduction is hoped to cut bureaucracy and streamline decision-making in parliament.

Belarusian President Aleksandr Lukashenko is always on the radar of the EU for undemocratic practices. The European Union once again expressed serious concern at the ongoing crackdown against the opposition in Belarus.

Czechs are known as the world beer drunks and might have cause to drink more during the forthcoming election as politicians are promising keg of beers if voters cast vote for them. Stanislav Bernard, who once stood as a Right-wing candidate for the Czech parliament's upper house, said that he would give a keg of beer to the first 250 school classes able to prove that at least 85 per cent of those eligible to vote had cast their ballots in next week's election.

Economic Issue

The Russian authority diffused the media report that Moscow is making attempt for a merger of Russian Gazprom and Ukrainian Naftogaz, which eventually could result to Gazprom taking over Naftogaz. Moscow believes no takeover but the creation of a new company. Russia nevertheless hopes to be Ukraine first investor, thereby clearly the legacy of fives when Russia was ranked as the 4th investor in Kiev. Being a member of the G20 and G8 Russia is pledging to work along with IMF in developing Ukraine. The European Parliament unanimously approved a 500-million-euro (616-million-dollar) European Union loan to help Ukraine out of its financial crisis.

Despite calls by deficit hawks such as Finance Minister Alexei Kudrin to lower social spending as government revenues plunged in 2009, the government maintained its levels of welfare spending by dipping deep into the Reserve Fund, where the government had saved some of its windfall oil revenues over the past decade. Meanwhile, Russia raised \$5.5 billion in its first Euro bond in over a decade last month, with the oversubscribed issue showing how far it has come since the 1998 domestic debt default. Consequently, Russia's biggest business lobby asked Prime Minister Vladimir Putin on

Monday for a moratorium on tax hikes and called for a mass privatization program to plug the budget deficit.

The heat of the financial meltdown remains in the air and that has prompted Russian finance minister Kudrin to assert that global crisis is not yet over. According to him, the crisis was provoked by globalisation, characterised by global interdependence. "Now we are living through a new stage of the system development, with changing management methods" wherein all economies are interlinked.

Russian Prime Minister Vladimir Putin will on Friday prepare the startup of the Customs Union with Belarus and Kazakhstan that is to be launched on July 1. Putin will chair a meeting of the EURASEC Interstate Council, which is the supreme body of the Customs Union, and the Council of the heads of government of the CIS.

Despite the recent heat of the Greek financial crisis across Europe, the Polish Finance Minister Rostowski said that will not derail his country ascension into the Euro zone and adopting the Euro by 2015. Yet, Poland is expected to work with the IMF in stabilizing its economy. Likewise, Estonia is expected to join the zone by January 2011 as the 17th member, but that will hardly cure all the challenges facing the tiny Baltic economy, whose dramatic decline has pushed unemployment to a record high

According to 2010 new edition of Research and Markets survey, Czech economy was severely affected by the global downturn. The fiscal position was also hit hard, prompting a rapid shift in policy from stimulus to consolidation.

The data released by Bloomberg suggests that Slovakia's GDP has improved as reflected in the market, and the economy is prone to be more export-oriented with growth expected for the rest of the year and even beyond. However, economists also suggest that economic performance in the second half of the year might be affected by austerity measures if the government formed after the June 12 general election opts for belt-tightening policies.

Despite its political trauma, Belarus's economy Minister Nikolai Snopkov said his country is ready to create conditions to attract foreign investors to the banking, agricultural and infrastructure sectors as the country is intensifying efforts to attract private capital to help ease a budget deficit that is projected to reach \$900 million this year.

The influence of IMF remains uncontested around Europe; it was active in bailing out Greece from the recent economic trauma and has always been there for other economies during tough times. The head of the financial institution urges Lithuania to enhance spending cuts over the coming years to bring its budget deficit in line with rules for Euro zone entry.

Social/Humanitarian Issue

Russians living in Kyrgyzstan are more interested to resettle in their native land than staying in the land of the sun, where political crisis over five years is becoming a status quo. Russia's link was associated with the recent political crisis in Kyrgyzstan which accentuates the fears of these Russians.

Russian president has called for a tightened security around the Sochi that will host the ice-based Olympic events. Tight security measure is paramount because of the growing nature of terrorism.

The Alttrak's mine owner averted a prolonged hunger strike by reaching agreement with the protesting workers. The understanding was reached at a meeting between workers whose wage arrears edge up on 100 million roubles, and representatives of Alttrak owners in Rubtsovsk. Both sides are geared at ensuring the success of the contract before the deadline.

Organizations representing Hungary's gypsies, or Roma, have expressed concerns about a new wave of violence against the minority in the country after the entry of a far right party in parliament. Hundreds of people in a heavy rain gathered in a rally, which was aimed at easing tensions between the two communities. Organizers say they are very concerned about the recent rise of the far right elements in Hungary and violence against Roma.

Latvia's relations with neighboring Russia came under strain Monday after the Latvian government accused Russia of attempting to influence the European Court of Human Rights (ECHR), following a decision on a controversial war crimes trial. A statement by the Latvian foreign ministry said it 'strongly condemns attempts by representatives of the Russian Federation to exercise pressure on the European Court of Human Rights.' A number of attempts to influence proceedings were made during the case of Kononov versus Latvia at the ECHR. Vasiliy Kononov, an 87-year-old former took part in the killing of nine villagers near the Latvian-Belarusian border in 1944 and Latvia later convicted of war crimes.

Food, Environment and Energy Issue

Ukraine's gas has always come from central Asia till 2006 before Russia overmatched the CARs state. Yet, Russia is not ruling out having gas pipeline from CARs passing through Ukraine to Europe.

Russia recorded price reduction in major foodstuffs in the first quarter of this year. The prices of bread, grains, beans, sugar, butter, and vegetable oil were low as compared to the same period of 2009, while meat prices remained at the level of December 2009.

Geostrategic Issues

Reluctant Russia has finally giving in for new sanctions on Iran which are not humanitarian to the extent of affecting directly Iranian. The sanctions came amid the nuclear swap deal agreed by Iran, Turkey and Brazil.

Somali is digging it out with Russia over pirates apprehended by the latter's naval forces. According to report, while some of the pirates were stripped of their weapons and navigation tools, one among them was killed. The extent to which Somalia will push the case will show sense of security over its citizens regardless of their preoccupation.

Chechen refugees in Ukraine might no more be having sanctuary in Ukraine any longer, upon the report that Ukrainian pro-Russian authorities are arresting Chechens accused of terrorism and extradited to Russia.

Israeli FM said the regime of Syrian President Bashar al-Assad was not interested in peace, and called "naive" anyone who believed Syria would be ready "to cut ties with Iran and Lebanon's Hezbollah militia" in exchange for a return of the Golan Heights, occupied during the 1967 Six Day War by Israel. Meanwhile, the FM also criticized Russia over the plan to sell arms to Syria, even though Russia and Syria are on talk over nuclear cooperation.

Despite the political divide among Palestinian leaderships, both Russian and Turkish leaders share the view that the Palestinian leaderships must not be excluded from the peace efforts in the Middle East.

In a display of solidarity among the BRIC members, the Chinese Vice President Xi Jinping vowed to make joint efforts with Russia to enhance the Sino-Russian strategic and cooperative partnership.

As Poland intends to unveil its first US Patriot-Type Missiles Battery at a military base in the northern town of Morąg, some 250 kilometres (150 miles) North of Warsaw and just 60 kilometres (40 miles) from the Russia's Kaliningrad territory, it becomes necessary to see Russia reaction to it.

Two Russian vessels are due to arrive in Russia's Far Eastern port of Vladivostok in the Sea of Japan around June-July to take part in the Vostok-2010 large-scale strategic exercise. The exact date of the drills is yet to be announced.

Czech government extends its diplomatic tentacle to Mongolia after the visit of the Mongolian president to the Czech Republic. Similarly, Czech Prime Minister Jan Fischer maintains solidarity with Armenia and praises the orthodox country's participation in the Eastern Partnership.

Slovakia and Hungary are at loggerhead over dual citizenship status of their ethnic living across the countries. Ethnic related issue has been one of the causes of diplomatic strain between the two countries.

Meanwhile, Hungarian government is throwing support for Montenegro-EU integration. Both countries are trade partners and Hungary believes its EU presidency by 2011 will be used to foster Western Balkan EU ascension.

Georgian Foreign Minister Grigol Vashadze will pay a working visit to Lithuania May 17-20. Vashadze will meet with Lithuanian President Dalia Grybauskaitė, and other senior leaders of the country, the Foreign Ministry said.