

Report 121
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

Canadian leaders are jammed in debate over the security arrangement and spending for the forthcoming G20/G8 summit in Canada. The ruling party deems it necessary to provide adequate security for both Canadians and visitors, contrary to the liberal opposition stance that Canada cannot afford to spend \$1 billion in 72 hours for the summits.

Recent polls have been showing the fluctuation in Canadians' view for the ruling and opposition parties. The minority ruling government is though facing opposition yet opposition parties have not been able to outpace it in public support.

Economic Issue

Few jobless American could still avail jobless benefits as the U.S House extends the expiring date, though leaving millions losing out from the benefit. The final say is though expected from the Senate which is on recess.

Economic recession is noted to have affected electricity consumption of most American and Canadians. Governments in both countries are urged to do more than enough by ensuring power to keep homes and businesses cool during the peak summer air-conditioning season as a slow economy depresses electricity demand for the second year in a row.

Canadian government is moving towards having a single national securities regulator that will oversee stock and bond markets. It will be replacing the existing agencies overseeing the 13 provinces. Canada currently is the only industrialized country that does not have a single regulator. Finance Minister Jim Flaherty said it would cut costs and make it easier to crack down on white-collar crime.

Social/Humanitarian Issue

Food, Environment and Energy Issue

The Gulf of Mexico's oil spill continues to make headline, an unprecedented disaster in the oil sector for the Americans. The government earlier shouldered the clean-up responsibility on BP, in charge of the drilling, but as the situation worsened, President Obama reclaimed that responsibility as his. This of course is an indication that Americans are watchful on the extent to which the administration can bring about a solution.

Geostrategic Issues

The white House is accused of trying to dismiss the leaked letter which shows the understanding reached between Obama, da Silva and the Turkish leader over Iran nuclear swap. Dismissing the letter could be a face saving tactic. The letter showed a different White House that has persistently called for a tougher sanction on Iran. The letter was reported to have been released in Brazil, because Brazilian leader was angered that his diplomatic effort upon Iran was snubbed by the White House.

Western Europe

Political Issue

The run up to the forthcoming Dutch election is showing a slide from anti-Muslim and immigration sentiment to economic concern. Most Dutch like every other Europeans are quite concerned about the economy that matter which they called best jokes. Wilder the conservative anti-Muslim and Islam politician is facing challenge from other contestants that are taking economic issue as their priority, people are ready to vote for party that can effect economic change.

The newly formed British coalition government is struggling with the carryover issue of illegal public spending that characterised the Brown's government. PM Cameron has vowed to purge out irresponsible conduct of cabinet members.

The International Criminal Court is geared at taking the challenge of criminalizing state aggression on other states. The move is receiving mixed reaction, while it is welcomed; critics say it will portray the court as political. Meanwhile before an act could be tagged as aggression, its character, gravity and scale will be measured and how it constitutes a manifest violation of the Charter of the United Nations.

Economic Issue

After the bail out fund, Greece is expected by European Commission to undertake additional measures within the pension reform bill that parliament will be debating soon. Austerity measures in the country have been a source of social disturbance. Meanwhile, Greek Prime Minister George Papandreou ruled out the option of defaulting on the public debt or restructuring that debt, instead the government is ready to pay back loan. The

government also appreciated the effort of the EU in preventing the recent crisis from having spillover effect across the region.

Cutting spending and trying to manage government deficit is the trend across Europe as governments exercise austerity measures aimed at halting Europe's government debt crisis. The Spanish parliament has approved such austerity measures and more likely to receive resentment from the people as it has been the case across Europe.

Social/Humanitarian Issue

A German High Court has dismissed allowing separate room to a Muslim student for worship. The court overturned the ruling of a lower court granting a private room as guarantee for religious freedom. The high court holds that a single student right should not override public good.

The Spanish city of Lleida has a total of 135,000 population, of which 3 percent is Muslim and only a handful of Muslim women wear face-covering niqab garments. The city hall recently bans the veil within its premises. The ban was historic because it was the first of its kind in Spain and a reminder that veil issue is snowballing across Europe.

More reports are unfolding on the scandalous practice in the Catholic Church's schools across Europe. The latest development unveiled that about 205 former students claim to have been sexually or otherwise abused in Jesuit schools in Germany.

Food, Environment and Energy Issue

It might appear as diplomatic achievement for the Arab states succeeding to bring Israel nuclear capability to the attention of the nuclear regime. The Arab states were able to get the consent of the United States even though with lot of conditions on the inclusion of Israeli in 2012 Mideast nuclear conference. Washington could not reject based on the Obama's administration intention for global non-proliferation of WMD but Washington remained worried that the conference attempt to single out Israel.

Target killing through drone should be limited and responsible because of innocents killed as a result of the attack. Philip Alston, a New York University law professor, who is also a U.N.'s investigator on extrajudicial executions wants new international rules to govern the use of drones to ensure they are deployed in line with the laws of war. Similarly, Alston recent report on Colombia suggests that Colombian soldiers were hugely involved in false positive crimes, the killing of innocent Colombians who are later declared as rebel forces.

Geostrategic Issues

Israeli Prime Minister Benjamin Netanyahu was in Paris to mark the induction of Israel into the OECD. During his talk with President Sarkozy, Netanyahu observed that it

is time to have direct talks with the Palestinian after a long indirect talk through Washington.

Southeast Europe

Political Issue

Political impasse lingers on between the Albanian ruling and opposition parties. The latter accuses the former of electoral irregularities in June 2009 election. The opposition insists that the June ballot boxes be reopened, an option unaccepted to the government. Meanwhile U.S Ambassador to Tirana John Withers said the problem in the country is not political but governmental.

After a long parliamentary debate, Croatian ruling and opposition parties have reached compromise to allow Croats in diaspora (particularly in Bosnia) to cast their votes only at diplomatic and consular missions, and the diaspora will be entitled to three representatives in the Croatian parliament. Croats parties in Bosnia regret the compromise as discriminatory.

EULEX, UNMIK and the Kosovo authority have all rejected election planed to be held in the north of Kosovo. Serbian leaders have been campaigning in the Serb populated north with the hope of strengthening Serbia rule there. The act irked Kosovo authority and has requested EULEX to stop Serbian leaders and their political campaign in this supposedly parallel structure. Serbia is also threatening to slash its cooperation with EULEX on the premise that the latter is taking side with Kosovo.

Meanwhile, both Belgrade and Pristina expect to hear the ICJ nonbinding ruling on the legality of Kosovo's independence by end of July.

Montenegrins went to the poll for municipal elections. The results were more favourable to the ruling coalition government, a shock for the opposition. Meanwhile, the country celebrated its fourth year independence after a referendum that separated Montenegro from the state union with Serbia.

Romanian government risks a no vote of confidence in the parliament amid a protest by the public against government's plan to implement tough austerity measures, which the government thinks will expedite the economy.

Economic Issue

Kosovo will be having the sensation of IMF, as Pristina reached an agreement of 110m-euro loan with the financial institution. Similarly, the financial institution has given conditional consent to disbursing the next 380m-euro tranche of its 2.9 billion-euro standby loan to Serbia.

Social/Humanitarian Issue

The Public International Law & Policy Group (PILPG) observes that Kosovo enjoys one of the best legislations for minorities, but the implementation of these documents remains a challenge. The group urges that non-Serb minority should also be given equal representation.

People generally in the region and Serbia in particular celebrated the birthday of Josip Broz Tito, the Yugoslavian communist leader. Despite his communism ideas and stronghold on power, people still tends to remember him for the level of freedom he permitted as compared to other communist dictators.

Serbs are reacting with mixed feelings over the new legislative declaration by the Serbian parliament which condemned crime committed against Serb during the 1990s war. Some Serbs hold that separating crime against Bosniak and Muslim from that of Serbs is inappropriate and showing disparity of concern. However, some agree with the government on the distinction. The parliament wants governments in the region to acknowledge the crime against Serbs as the basis for final reconciliation in the Balkans.

Food, Environment and Energy Issue

Geostrategic Issues

Bosnia and Albania are closing up their bid for the EU visa liberalization scheme upon the approval of the European Council recommendations. The recommendation, though positive, is conditional, and requires both countries to address a number of unresolved issues. BiH will have to boost efforts against corruption and crime, create an electronic police database and harmonise domestic criminal codes with those in the region. The EC is requiring Albania to spell out a reintegration strategy for returning refugees, ensure effective application of the 2009 law on confiscating criminal assets, and boost efforts against organised crime and corruption.

Croatia is expected to open more EU chapters that will drive the long standing country to the door of EU. The judiciary chapter is expected to be open amid the cooperation between Croatia and the UN war crimes tribunal. On the other side, comes the military cooperation between Serbia and Croatia, a new development since the 1990s that bashed the forces of both countries together. Serbia is also optimistic of EU enlargement process in the Balkan and hopes the Sarajevo submit will give a new momentum on EU-Balkan integration.

Turkey's influence in the Balkan has once gain highlighted. Serbia and Bosnia have called on Ankara to help in softening their separate stiff stances. Serbia does not want the cancellation of the historic visit of Bosnian Presidency Chairman Haris Silajdzic to Belgrade, on the other end, Silajdzic insists on seeing wartime criminal Ilija Jurisic in prison, a plea not satisfactory to Serbia.

High Representative Valentin Inzko to Bosnia and Herzegovina is hopeful that EU summit scheduled for June 2, in Sarajevo will be fruitful. It will increase the EU prospect in the region. The High Representative urges Bosnian politicians to turn a new leave. Ethnic politic is been an undermining factor in the country in recent times, though the country has made considerably international achievement, but its domestic politics is dented.

The reduction of NATO forces in Kosovo might indicate the recognition of Pristina's independence. NATO has downsized its troops in Kosovo from about 14,000 to 10,000 in January and hopes to reduce it to just 2000.

Macedonia government reiterates its intention to continue talks with Greece on settling name dispute, but recent poll in the country suggests that 60% of Macedonians believe that their country could join the EU and NATO without changing its name and should abandon the talk. Although 79% Albanian Macedonian believes talks should continue.

Is yet unknown whether Montenegrin authority will release former Prime Minister Thaksin Shinawatra holding Montenegrin passport to Thailand. Shinawatra is charged with terrorism and suspected of involvement in recent violent anti-government street protests that left more than 80 people dead.

Oceania

Political Issue

Economic Issue

Social/Humanitarian Issue

Australian Archbishop Mark Coleridge believes the recent scandal in the Catholic Church was engineered by multiply reasons. He linked the cause of the crisis to the Catholic culture of prioritizing sin and forgiveness rather than crime and punishment.

Australian minister of information has taken on Google for its breach of customer's privacy. The search engine giant was accused of storing private data through its Street View campaign. Google is pitted in similar case in Europe, where German and British governments challenged Google for privacy violation.

Food, Environment and Energy Issue

Australia believes it is high time to legally stop the Japanese from whale killing in the Southern pacific. There has been rift between the two countries over killing of whales which the United States attempted to resolve. Without a resolution Australia wants the ICJ to adjudicate over the killing, which Japan said it is done for scientific purpose.

Geostrategic Issues

Australian government has expelled an Israeli diplomat from the country linked with the passport forgery used in the killing of Hamas leader in Dubai. The action was similarly to what the British did, and the expulsion remains indefinite and damages Australia-Israel relations. Though before the expulsion, Canberra hinted Washington in view of the security alliance between the two countries.

Latin America

Political Issue

Argentina marked its 200th independence anniversary from Spain last week, a celebration that received goodwill greetings from countries in the region and beyond.

According to the latest Datafolha's poll, Ms. Serra, the candidate of Brazilian President da Silva is 7 points ahead of opposition male candidate. The poll is a break from previous poll which showed the latter outpacing the former. Ms. Serra is said to be enjoying the policies and popularity of President da Silva as the most popular Brazilian leader in history.

Politics and drug is becoming intertwined in Mexico. Drug lords expect politicians to support their business and earn political gain or face the wrath. Accusation continues to mount on the government that it is supporting certain drug groups; hence the government is accelerating its move to clamp down on politicians having links with the drug cartels.

Opposition against Hugo Chavez remains active in Venezuela as old ally wears face of enmity. The government is also sending out threat of nationalization to companies that attempt acting against the wishes of the government.

Economic Issue

Argentine government believes there is more to share with Philippine in areas of energy technology, gas production, agro-industry and electronic export. Both countries discussed strengthening bilateral ties during a round table meeting in Manila.

The BRIC countries is expected to account for two third of the global economic growth in next five years as these countries comprises 40 percent of the world's population. Meanwhile, of the four BRIC countries, Brazil's economy is said to be least vulnerable while China stands as the most formidable. A top IMF officer acknowledged the growing strength of the Brazilian economy but warned against overheating, calling the attention of the government to take preventive measures.

Despite its huge oil reserve, Venezuela suffers energy problem, a situation that has caused industrial production to plunge to 9.9 percent and inflation raised much as compare to the last 7 years. According to the Bloomberg survey the economy of

Venezuela declined 7 percent and also the Central Bank mentioned in its first quarterly report that Gross Domestic Product fall 5.8 percent in the first quarter of this year.

Chavez's government is hopeful of seeing more of economic relations with China in the hope that China will help revitalize the economy. Despite their enmity, Venezuela is requesting Washington to provide the names of Venezuelan money launders, a request declined by Washington.

Social/Humanitarian Issue

Although he was excused from having connection with the Time Square failed bomb attempt, yet Saifur Rahman remained in Chilean prison custody on grounds of being danger to the society.

Food, Environment and Energy Issue

Geostrategic Issues

As part of the Brazilian government plan to increase the country diplomatic influence, President da Silva launched a Portuguese TV channel in Mozambique geared at portraying the good image of Brazil and as an avenue for interaction between the Latin America country and Africa. Similarly, Brazil hopes to strengthen its relation with Bangladesh after the latter's foreign minister invited Brazil's ambassador to Dhaka for talks.

Mexican President Felipe Calderon's visit and speech to the U. S Congress has caused uproar. He was reported to have called for a ban on weapons in the U.S because most seized weapons in Mexico could be traced to the U.S. He as well slapped the Arizona immigration law. His comments irked Arizona's senator John McCain and republicans that Calderon has no right to meddle in U.S domestic affairs. Despite the mixed reaction to Calderon's speech, U.S is set forth to working with Mexico in creating sound security along the border and fighting drug trafficking.

Diplomatic relation between Mexico and Canada is also strained due to unwarranted immigration hurdles initiated by Canada against Mexicans, seen as offensive thus prompting Mexico to retaliate in same coin to Canadian officer traveling to Mexico.

Russia and its Neighbours

Political Issue

Polish observers are expected to be part of the monitoring officials at the forthcoming local election in Georgia. It is the first local election since the end of the Russian-Georgian conflict over Southern Ossetia. The run up to the election does not stop Tbilisi from marking its independence day.

Czech political parties are preparing for the next national election. An election characterised by divided pledges along party lines. The communists (KSCM) party, which is the third largest in the current parliament, pledged to introduce higher direct taxes and to maintain the current welfare system. The Civic Democrats (ODS) is promising to cut the state budget deficit through constitutional provisions, embark on privatization and pledges not to raise taxes. The Social Democrats (CSSD) with leftist leaning pledges to introduce socio-economic reforms in health, social security, education and tax system by canceling certain tax burdens on general masses.

Political tension mounts between Slovakia and Hungary over new citizenship laws passed in both countries. The Slovakian government rejects dual nationalities, a move alleged to be directed on ethnic Hungarians in Slovakia. The law is said to be a response to Hungarian law which eases citizenship requirements for ethnic Hungarians living abroad wherein applicants for Hungarian citizenship will not need to have permanent residency in Hungary and will only be asked to demonstrate proficiency in the Hungarian language and evidence of Hungarian ancestry.

Economic Issue

The trilateral summit on customs union among Russia, Belarus and Kazakhstan failed to see the attendance of Belarus. The reason for the absence is unknown. Yet according to report, the trio has shown their willingness to join WTO via the custom union. Nonetheless, Belarusian government has agreed to give Russia full control over Belarusian pipelines in exchange for cheap gas and oil.

Economic forecast for Russia for the next three years envisages economic growth based on a relatively favorable situation on global raw material and capital markets

Poland's central bank left its main interest rate at a record low today and signaled inflation may slow in coming months even after zloty declines sparked by Europe's debt crisis threatened to push up import prices.

The Czech economy has been the main focus of the election campaign. Its budget deficit urgently needs to be reduced. Last year the economy shrank by 4.2%, but this year it is expected to grow by 1.4%. Public debt was 35.4% of GDP in 2009, and the budget deficit hit 5.9% of GDP.

Ukrainian government is expected by IMF to tidy up its financial system and streamline government spending before discussion for loan can be tabled with the international financial institution.

Hungarian center-right Fidesz Party that won the last April election is targeting a stable Euro-forint rate and stresses the need for lower interest rates.

Being the 17th Eurozone member, Estonian Finance Minister Jurgen Ligi said the Euro area needs stricter fiscal controls to ensure existing members adhere to the rules.

Economic statistics suggest that Estonia's unemployment rate rose by 19.8 percent in the first quarter from 15.5 percent in the previous quarter.

IMF has hinted an advice that Lithuania will need to make further cut spending over the coming years to bring its budget deficit in line with rules for Euro zone. Such advice tallies with the view that Lithuania's economy will grow at a slower pace than previously forecast as domestic consumption remains weak due to fiscal problem.

Latvia's central bank said it bought net 40 million Euros last week, down from a net 44 mln euro purchase for its currency interventions the previous week.

Social/Humanitarian Issue

According to the UK Home Office, statistic shows there is exodus of people including Polish Czechs from the UK than influx. It marks a reversal in movement for the first time since large-scale immigration in Europe began.

Cuba and Belarus signed an agreement to produce drugs against low- molecular-weight tumors after a research study carried out by the National Academy of Sciences of Belarus and the Cuban Center for Molecular Immunology Research in Havana.

Experiencing a massive flood, the Polish authority for the first time since 1993 has asked Russia for assistance under the Russia's Emergency Situations, as Russia will be helping out with 14 tons of aid, including 18 pumps, 34 boats and five diesel generators.

Despite Russian President Dmitry Medvedev's hard talk on human right violation, Amnesty International's report never fails to score him low on matters of human right in view of the human right violation of Chechens.

Food, Environment and Energy Issue

Russian authority for long placed blockage on U.S poultry foods coming into Russia, but that hurdle is about to be removed. The Russia's veterinary watchdog announces the breakthrough of negotiation between the two countries calling for a lift of the blockage.

Geostrategic Issues

The plan of the United States to install its Patriot missiles in Poland is irking Russia, Kremlin believes such installation violates and infringe on Moscow's authority with its neighbourhood.

A Russian defense manufacturer is marketing the highly mobile Club-K missile system that can be hidden in a standard cargo container, and that was first unveiled this April at the Defense Services Asia (DSA)-2010 exhibition in Kuala Lumpur, Malaysia.

The new phase of Russia-Ukraine relations might of course explain the hold back on NATO membership by the new Ukrainian government. It is a break from the policy and direction of his predecessor, though President Yanukovich promises to be active in the Eastern Partnership Programme.

Russia was annoyed at recent Tehran's comment questioning the sincerity of Moscow in supporting new sanctions on the Persian country for its nuclear impasse with the west. President Mahmoud Ahmadinejad was reported to have said he does not understand whether Russia is truly a friend or foe.

Russia-EU relations might well be strengthened as Moscow hopes to begin negotiation with the EU for a visa regime that will waive visa procedures for Russians and EU citizens. In the same manner, Moscow has reiterated working with the Koreans for a peaceful solution of the long standing rift.