

Report 128
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

US/Canada

Political Issue

Having being a co-writer of the biggest bank regulation overhaul and tough vanguard for healthcare reform, Senator Christopher Dodd would have perfected the end of his 30 years of public politics. Dodd faces weak public support even in his own state of Connecticut, thus sees its imperative to leave a landmark before exiting the Senate in months to come.

Rhetoric and reforms aren't enough to do the magic and get praises; instead the demand of appreciable number of Americans from their president is making things work as in cutting deficit, reducing unemployment and boost jobs, an overall rebounding of the economy. Failure to address the economic plight of the people would not only be detrimental for the Democrat in midterm election but could hinder Obama's second term.

Obama administration scored political goal as the Congress approved a sweeping expansion of federal financial regulation on financial institutions after the Wall Street inspired financial crisis. The bill subjects more financial companies to federal oversight, regulates many derivatives contracts, and creates a panel to detect risks to the financial system along with a consumer protection regulator.

It was seen as the best option for the collapsing economy stemming from the financial irresponsibility of financial institutions. For those who supported the stimulus package particularly republicans would have to face the rhythm for promoting big government and fiscal irresponsibility. The bailout issue is expected to be politicized during the midterm election and the president also hopes to take advantage of the new financial legislation.

Equipping its arsenal with latest weaponry worth of \$9bn Canadian dollars has caused Canadian Conservative government another criticism from the Liberal opposition

party. Liberal opposition claim the bidding for the 65 new F-35 Joint Strike Fighter jets from the U.S was done without a competitive bidding process.

The minority government has also been criticized for cutting the work being done by the country's central statistics agency. Statistics Canada would scrap its mandatory detailed long-form census, making this happen will affect the overall data analysis of all citizens needed for a comprehensive public policy. The development has irked virtually all sectors of the society.

Economic Issue

For some Americans the federal stimulus package lacks fecundity as certain sectors are still punctuated with unemployment. But that will not be true for the Wall Street where hiring is picking pace, the Wall Street is labelled as being responsible for the 2008 financial recession.

Despite the sign of hiring taking place in the Wall Street, Warren Buffett's caution note to the president emphasizes the need for more effort to rejuvenate the economy in view of the profound effect of the recession.

Social/Humanitarian Issue

Food, Environment and Energy Issue

BP oil company wrestling with oil spil in the Gulf of Mexico said it has been able to cap the leak, though a sign of relief, but the Obama administration is demanding caution as to asceratin its surety.

Geostrategic Issues

Pakistan Taliban is a significant non-state actor in the region and is on the verge of being blacklisted by the United States as a terrorist organization. Gen. David H. Petraeus added force to the sleeping debate that Taliban and similar groups should be included on the U.S blacklist. Doing that is likely to distabilise the process of making peace with the Taliban.

Western Europe

European Union

Recent history of the EU shows a bloc traumatize by financial problem, nonetheless the financial shock did not make EU close it eye on world affairs. EU foreign policy Chief Catherine Ashton along with other top western officials hopes to return Israel and Palestine to the negotiation table. Similarly, the bloc has extended handsome aid package to Africa to combat social problems of the continent. Meanwhile, EU was resentful of the expulsion of two top aid officials in Darfur and urged Sudan to protect humanitarian groups in the strife-torn region.

The EU is once again sending message to Iran that door of negotiation remains open and EU foreign policy Chief Catherine Ashton, whose country Britain supports Turkey-EU membership, asks Ankara not to surrender its bid..

Despite its economic problem, the Euro saw a rise above the British Pound, while within the Eurozone and EU, Malta is taking a lead in export, followed by Romania and Estonia (non-Eurozone members) Luxembourg and Finland headed other EU members the previous year.

EU plans to tighten its grip on accident prevention and liability for offshore oil drilling in response to BP's Gulf of Mexico spill and at the same ready to punish states that does not stop illegal importation of timber into the bloc. EU commercial ties in Latin America saw a drop as a result of the brawl between economic giants (Brazil and Argentina) of the region and the EU

Political Issue

Ole von Beust, the popular mayor of Hamburg is tipped as the next top official to resign from the coalition government of Chancellor Angela Merkel. The government is politically falling apart and could be exploited by the opposition.

The resignation of Italian economy ministry Nicola Cosentino marked the third resignation that has rocked Premier Silvio Berlusconi's government in months. Cosentino is being implicated in an alleged influence-peddling investigation.

Misuse of office and dishonest financial doing is yet again featuring in the British parliament but this time around coming from the House of Lord. Lord John Taylor is accused of dishonestly claiming more than 11,000 pounds (\$17,000) for accommodation and mileage in 2006 and 2007.

Economic Issue

Eurogroup Chairman Jean-Claude Juncker and EU Monetary and Economic Affairs Commissioner Olli Rehn expressed satisfaction with Greece's budget stabilisation process, amid national wide austerity protests.

Sino-German economic relations attained a new height as both countries signed deal worth billions of dollars in making trucks and power equipment. It was an achievement for German Chancellor Angela Merkel's turbulent government and was success for China reaching such a deal with Europe largest market.

Social/Humanitarian Issue

The German government has banned the Turkish humanitarian organisation Foundation for Human Rights and Freedoms and Humanitarian Relief (IHH) from activities in Germany on the ground that it is financing the Palestinian Islamist

organisation Hamas, which the EU regards as a terrorist organisation. IHH lead the Gaza flotilla attacked by Israeli commandos

A British High Court judge has given a go ahead to former British Guantanamo detainees to proceed with lawsuits against Britain. The detainees claim British agents were complicit in their oversea torture.

Food, Environment and Energy Issue

Geostrategic Issues

Southeast Europe

As the whole world and Western Balkan in particular expects ICJ's ruling on Kosovo, Belgium's Prime Minister Yves Leterme remarks that the EU will carefully monitor Serbia's reaction to the International Court of Justice's (ICJ) opinion on the legality of Kosovo's independence, which is expected on July 22nd.

Political Issue

Albanian long political impasses could reach its end if the plan by the opposition party to return to negotiation table works out. The opposition resolved to negotiate based on implementing proposals of European Parliament (EP) resolution on Albania's EU progress, adopted earlier this month.

Croatian opposition parties are calling for snap elections believe to be the solution to the problems facing the country claiming to be equipped with alternatives, which the ruling government lacks. The ruling party has ruled out any sort of early elections.

Kosovo President Fatmir Sejdiu reiterated that Pristina and Belgrade could hold talks with Serbia on any issue except Kosovo's status. He further dissuades Belgrade not to be part of the problems in the northern region of Kosovo.

Macedonia will have to manage its political landscape well if it must get the approval of the EU. Opposition Democratic Party of Albanians (DPA) has been boycotting the parliament and is not ready to return not until the ruling party redresses what the DPA calls self-centred policies of the ruling party and failure to recognize Albanian as second official language in Macedonia.

Meanwhile, a vote of no confidence filed by the Macedonian main opposition party SDSM against the Parliament Speaker Trajko Veljanoski did not yield. The vote was initiated by SDSM accusing the police of spying on their activities after a police agent tried to record their conversation with a group of disgruntled worker.

Montenegrin lawmakers have approved a bill to hold a population census from April 1st-15th 2011.

A mouth drop incident by Romanian Finance Minister Sebastian Vladescu has forced the Prime Minister Emil Boc to ban all ministers from speaking publicly about issues that have not been discussed and approved by the government

As Serbia enhances good relations with its neighbours and co-operating with the ICJ tribunal on war crime, it has started receiving praises from the EU. Most recently, European Commission (EC) director for the Western Balkans Pierre Mirel praised Serbia's progress in implementing reforms, fighting organised crime and boosting regional co-operation. He also urged Belgrade to take a constructive approach to the customs issue in Kosovo.

Slovenian parliament approved a declaration on Western Balkans, describing the region as a key priority and establishing guidelines for future actions aimed at strengthening co-operation.

Economic Issue

In a bid to reduce the tension associated with recent government economic policies, Romanian President Traian Basescu said that the VAT rate should be reduced to its previous level and pensions should be taxed instead. In response, Prime Minister Emil Boc said the VAT rate would only be reduced if the government finds alternative revenue-makers.

Social/Humanitarian Issue

For many Bosniaks it was opening old wounds as many families celebrated the 15th anniversary of Srebrenica massacre. The families of the victims are prone to be more sensitized as massive graves are being exhumed.

Such empathetic celebration was also seen among the Bosnian Serbs at the Bratunac Military Cemetery honouring Serbs killed during the 1992-1995 conflict in BiH.

UN Special Rapporteur on the Right to Adequate Housing Rachel Rolnik urged Croatia and Serbia to co-operate in resolving housing problems of refugees.

The plan by Kosovo authority to send special police to the Serb dominated northern part of the country has irked Serbia President Tadic, instead wants EULEX to oversee the investigation. It remains clear that Serbia wants the northern region as a parallel structure and out of the authority of Pristina. Such partition option according to Vincent Degert, the head of the European Commission (EC) delegation to Serbia, will be consequential and could have domino effect in the region.

The wife of fugitive former Bosnian Serb commander Ratko Mladic has repeatedly requested the government to declare his husband dead so as to be relieved from the stress of being perturbed. But she will have to plead for herself as illegal arms were reported uncovered in her possession.

Food, Environment and Energy Issue

Geostrategic Issues

Albania's longing for the EU visa liberalisation regime will be assessed by EU experts, as to the extent to which local authorities are exerting enough effort in the areas of law enforcement, fighting crime and corruption and confiscating criminal assets. Nevertheless, the Belgian presidency of the EU has set November as the month to discuss whether to lift the bloc's visa regime for Albania and Bosnia and Herzegovina (BiH)

The right to recognize Kosovo as a sovereign state will be due only after the ICJ's ruling on the legality of Kosovo's independence. This remains the position of Romanian government, rejecting the plea of other EU members that have recognised Pristina as a sovereign state. Meanwhile the region awaits the ICJ's ruling on Kosovo unilateral independence declaration for next week.

The series of summits conducted in the region are all characterised by the intention of the Western Balkan countries to expedite their EU integration process. The last of such summits held in Croatia was no exemption.

Ethnic politics has been the stumbling stone for Bosnia-EU integration, yet Bosnian Foreign Minister Sven Alkalaj said that Bosnia and Herzegovina (BiH) will delay its EU membership application until it receives more positive signals from Brussels.

Political uncertainty characterised by ethnic politics has contribute to the delay of Bosnia-EU talk, which is also responsible for the delay in Bosnia-NATO integration. NATO expects Bosnian leaders to resolve the defence property issue before further talks could begin.

Serbia-Turkey relations will be further strengthened by the new visa regime initiated by Serbia which will allow Turks' entrance into Serbia without visa.

Oceania

Political Issue

Enjoying a robust relation with the public, Australian Prime Minister Julia Gillard of Labor party has called election, opening an electioneering process for August 21 general. She has been retracting from policy of ex-PM Kevin Rudd which she felt were not forthcoming.

Economic Issue

The increasingly uncertainty and volatility of global economic has forced Australia to slash its annual growth from 3.25 to 3.0. Despite the growing tension, the government still sees a positive outlook for domestic economy.

Social/Humanitarian Issue

Food, Environment and Energy Issue

Geostrategic Issues

Neighbouring countries are still unsettled for the new Australian immigration policy that intends to settle asylum seekers in East Timor instead on an Australian territory. The plan is believe to be a measure to safe Australia from the troubles of immigration. Both Indonesia and East Timor have shown great resentment for the proposed regional processing immigration unit.

Latin America

Political Issue

Syria President Bashar al-Assad's visit to Latin America ended with a big praise for the Brazilian president. Bashar lauded Lula as a world peace maker and has been able to do what great power like Washington could not achieve.

Gubernatorial elections are completed in 12 Mexican states but debate is incomplete about the reason for the defeat of PAN and the success of PRI. The fact however remains that public appears to be fed up with random killings and manner with which the ruling PAN government handles the drug cartels.

The resignation of the Mexican interior minister and the chief security advisor is added blow to President Caldron, whose party got defeated during governorship elections. The resignation could be taken as victory for the Mexican drug lords

President Chavez has not discontinued his 21st socialism geared at nationalizing companies tailing capitalist exploitation. His recent nationalization attack was the food department. Opposition in Venezuela remains charged, criticizing Chavez for clamping down on political opponents and violating human rights.

Economic Issue

In recent times, Argentine-China relations hit the rock over sale of farm product, even though trade between the two countries has crossed \$14 billion, hence leaders from the two nations plan to resolve their difference as Argentina Fernandez Kirchner visits China.

Mexican farmers have hinted that the combination of huge flood in the country and certain governmental hurdles will be responsible for a decrease in productivity of farm products. Mexican farmer cry loss due to government's policy.

Mercosur and EU are two potential trade blocs but certain degree of inflexibility is hampering the growth of their economic ties. President Lula of Brazil hopes to act more elastically when the presidency of Mercosur falls on Brazil later this year.

Social/Humanitarian Issue

Hosting the forthcoming Olympic Games 2016 will be praiseworthy for President Lula, who believes that all pessimistic views about Brazil hosting the world sport events are just side talks.

The Argentine Congress says okay, but waiting the approval of the Senate amid a growing dissatisfaction by the Argentine Catholic Church over legalisation of same sex marriage.

Violence related to drug is one of the characteristics and troubling concern of the region, but Chilean government singled out Chile as the safest country in the region due to low crime rate and drug violence. Keeping that unbroken, President Pinera launches an anti drug campaign and heightens police vigilance.

Prominent Colombian journalist and critic of ex-President Uribe's policy towards drug cartel was refused U.S visa by US embassy in Colombia, indicating Washington is not comfortable with criticism of its ally. In a bid not to de-track from the policy of fighting FARC as championed by then Uribe's administration, Colombian forces ambushed FARC rebels and also killed 14 innocents, an incident that has grabbed the criticism of UN Human Rights Council.

Venezuela and the United States have not always been good bed fellows, but the extradition of wanted criminals from Venezuela to U.S is worth mentioning, even though Caracas still accuses Washington of using Colombia as proxy channel to attack Venezuela.

Manipulating state information is an offence in Venezuela, and a court has sentenced two men to eleven years jail term for hacking official blog and disseminating misleading information.

Food, Environment and Energy Issue

With the discovery of oil in the extreme south of Chile, the government hopes that it will contribute to the weak economy, which was devastated by earthquake couple of months back.

Colombia's President-elect Juan Manuel Santos has named a US-educated oil engineer as his energy minister, with the expectation to strengthen a major revenue sector.

Geostrategic Issues

President Lula of Brazil left a strong message for the South African president by urging him to follow the path of Brazil in increasing trade cooperation with developing countries than the developed nations. Lula completed his Africa visit and encouraged African leaders to enter into strong cooperation with Brazil in all sectors as Brazilian economy is experiencing an undisputable growth.

Sidelining one of the global systems appears to be the aim of ALBA, a group of Socialist countries in Latin America and Caribbean. The group is expected to start using 'Sucre' as a common currency for their commercial relations.

Venezuela is irked about the meddling of Spain in its domestic affairs and equally dissatisfied with the violation of airspace by Dutch aircraft.

Russia and its Neighbours

Political Issue

Despite Russia's political and economic outreach in recent times, foreign countries did not fail short to ask Russian authority to do more in strengthening its political structure, curbing corruption, and resolving strained ties with neighbours like Georgia. Meanwhile, President Dmitry Medvedev has rejected the meddling of foreign countries in its new bill that expands the powers of the Federal Security Service.

Ukraine's President Viktor Yanukovich finally made the bold decision by signing a decree that cancels the country's previous plans to join the North Atlantic alliance. It was a big strategic u-turn, though the decree emphasizes on cooperation and collective security system.

Economic Issue

It will be shadow talk to refute the economic boom in Russia. Russia's special economic zones hit 144.9 billion rubles (\$4.7 billion) in investment, while German conglomerate Siemens entered a deal worth of billions of dollars, and that does not stop Naspers Ltd the Africa Internet company from planning to buy a 28.7 percent stake in Russia's Digital Sky Technologies. The rebounding of Russia's Eurobonds since 1998 from the worst loss among developing government securities and the growth in its industrial production, coupled with a 3% GDP expansion attest to Russian economy upturn.

Meanwhile Prime Minister Vladimir Putin is providing investor opportunity for TNK-BP, as the London-based oil company faces a huge financial trauma due to the Gulf of Mexico oil spill.

Russia hosted the 34th World Diamond Congress, therein Moscow announced to buy \$1 billion worth of diamonds from the country's Alrosa, a monopoly firm that was plagued with global economic crisis.

The strength of Warsaw's economy is being reiterated by the market value of domestic companies. Warsaw market value is estimated around €13 billion as compared to Vienna with €7 billion.

The Czech economy will grow faster this year than previously expected, driven mainly by an increase in exports to the country's main trading partners in Western Europe. Czech Republic hopes to accelerate and benefit from its automobile industry

Deficit cut has been the trend across Europe after the Greek financial crisis. For Ukraine hiking the price of natural gas was the best option and to put the public aboard as measure to stabilizing the economy and complying with IMF conditions. Ukraine has been shuttling between Russia and IMF to balance its economy.

According to the World Bank, Central and Eastern Europe (CEE) countries have the prospect of moving out of the 2010 recession in due course, as economies in the region pick pace. This assertion tallies with Hungary's Foreign Minister Janos Martonyi view that Hungary will pose positive economic growth in 2010 and could finally ink a new agreement with IMF.

Estonian government remains hopeful of making it into the Eurozone by January 2011 thus making Estonia the 17th Eurozone member. Membership of the zone is expected to further foster strong economy, which according to Danske Bank has the lowest government sector debt in the EU.

Unlike its neighbour, Lithuanian economy is experiencing an accelerated inflation creating concern for the transport and alcohol sector.

Social/Humanitarian Issue

Vengeance would be the possible conclusion for the involvement of young Dagestan women in attempted terrorism, apprehended by the authority. The widow and daughter ranging between 19-25 years believe it was payback time for authority who killed their love ones.

Controversial self-styled Russian scientist Viktor Petrik faces criticism from the Russian Academy of Sciences and Consumer Rights Society for his water purification programme, deemed as useless water filters. Meanwhile hundreds of people got drowned in bathing accidents caused by alcohol as the Russian temperature rose to 33 degrees Celsius.

For outstanding contribution in strengthening Pakistan-Polish relations, Ambassador of Pakistan to the Republic of Poland Ms. Seema Illahi Baloch was awarded Commander's Cross of the Order of Merit of the Republic of Poland during a ceremony.

The Latvian parliament reiterates its nationalism by voting for a bill demanding media houses to air programmes largely in Latvian language, even though 30% of Latvians speaks Russia.

Food, Environment and Energy Issue

Drought has not spare Russia in recent time, affecting agricultural production and farmers performances with an expected cost of \$1 billion. Eleven regions in Russia now wrestles with drought and the government is extending fuel discount to farmers even though there is a fresh tax increase on industry.

Being an EU member, Poland cannot escape being scrutinized by the European Commission, measuring its compliance with European Union flood-control legislation, tailored at managing flood risk which could pose risk to human health, environment, cultural heritage and economic activity.

The Gulf of Mexico oil spill appears to be creating fear syndrome around the world. A Poland-based company, Geophysica Torun (GT), working on behalf of Gujarat State Petronet Limited (GSPL) was harassed by local Poles for fear inseparable from environmental issue.

Strengthening its relations with the Central Europe country, Washington is expected to assist Poland in building its first nuclear power station.

Geostrategic Issues

Despite its objection to an Iranian nuclear bomb, Russian leadership believes the world should have an open talk with Tehran. Yet Moscow said it is ready to enter into oil, natural gas and petrochemical cooperation with Tehran in order to soften American sanction on Tehran's economy. Meanwhile, Russia will be taking part in an international conference in Kabul, aimed at discussing the transfer of power and responsibility to Afghan security.

Polish Foreign Minister welcomed the participation of Armenia and other neighboring states in the Eastern Partnership and re-affirmed Poland's support to induct them into the visa liberalization regime.

Slovakia is set not to decrease the number of soldiers deployed in foreign missions, particularly in Afghanistan, doing this will further elevate Slovakia status as a NATO member.

The meeting between the Austria and Hungary foreign minister raised the level of cooperation between the countries, being neighbours Austria has showed full support for Hungary to take over the EU presidency in 2011. Meanwhile, Hungarian President-elect Pal Schmitt believes Croatia-EU membership should be due during Hungary EU presidency

Georgia eyes are on Belarus with a great caution that the former Soviet stronghold will finally not approve the independence and sovereignty of Abkhazia and South Ossetia. Meanwhile, Belarus-Kyrgyzstan diplomatic relations remain sour upon Belarus

refusal to extradite former Kyrgyz's president to Kyrgyzstan where he has been charged for misuse of power.

Despite its refusal to join NATO, Ukrainian naval force went into days of naval exercise with NATO tagged as Sea Breeze 2010. The exercise was geared at meeting the challenges of pirates and was done on the north-west of the Black Sea.