

Report 129
PROJECT ON BUSINESS AND POLITICS IN THE
MUSLIM WORLD

Weekly Presentation: July 28, 2010

By: Bakare Najimdeen

Period: From July 18-24, 2010

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 Issues

Good news for the jobless (2 1/2 million) Americans, who soon will get about \$300 for being laid off and unable to find work in the aftermath of the America's long and deep recession. The checks became ripe after Congress approved the measure. But for how long such checks will alleviate unemployment plight of these Americans, meanwhile the issue of tax cut remains hanging.

Thomas Schelling once notes in 'Arms and Influence' that destruction is quicker done than construction. This ever green word will be true for Iraq, Afghanistan, Kosovo and every other place facing the wrath of war. Daniel P. Serwer will also be right to have said Nation-building or Peace-building is a complicated and difficult contextual business, one that takes a good deal of time and effort.

Why must Pentagon budget remain unchanged when United States is moving towards winding its war expedition abroad? The White House and the Congress might be thinking of a budget trim, a proposal unwelcoming to Pentagon bureaucracy. Meanwhile, White House is still trying to reach an understanding with Senate Republicans to approve its new arms control treaty with Russia by committing to modernizing the nuclear arsenal and making additional guarantees about missile defense.

Economic Issues

With the direction of the American economy, worries are hanging among ordinary Americans that things are not going in the right direction even though President Obama believes his stimulus package is making headway. Suggestive solution to Obama is that he should take the path of Nixon who tried to redeem America by overlooking the differences in foes and rather be brought them aboard.

Social/Humanitarian Issue

Arizona immigration law has caused roar and divided the American public as to whether the law is worthwhile or not. Trying to establish the legality of the law, U.S. District Judge Susan Bolton is expected to judge the legitimacy of the law, but she raises another serious question on the porosity of U.S border, which in fact needed adequate attention.

Racial issue will not cease to resonate in a multicultural society like the United States. A white blogger accused Shirley Sherrod, official at department of Agriculture and core member of NAACP, for racial discriminatory remark. She was fired for the remark, but record later showed that her remark was not really discriminatory but tailored at racial accommodation.

A common ground between Hispanic community and American evangelical pastors is contributing a new dimension to the debate of immigration. Evangelical pastors have many things uncommon with President Obama but are on same page on the legalization of illegal immigrants (Hispanic etc) already in the U.S

Obama's No Child Left Behind law is backed by the process of having an integrated and national curriculum of for schools in the United States. The new standard is becoming a race among states wanting to be part of the federal incentive, although some states are adamant to be part of the new system.

Food, Environment and Energy Issue

The Gulf of Mexico oil spill delienated the picture that despite the advance exploratory technology, multinational oil companies are not free from technical error. Such unbearable error has obvioulsy caused BP financial lost and public mistrust. To remake the image of oil companies, Exxon Mobil, Chevron, ConocoPhillips and Royal Dutch Shell are set to jointly build a set of modular containment equipment that would be kept on standby for emergency use.

Geostrategic Issues

The war was started on a consensus mood to root out Taliban and al-Qaeda from Afghanistan but almost a decade along the line; things are falling apart for the Western allies in Afghanistan. Obama administration is faced with big dilemma of whether to remain in Afghanistan and spend more tax payer money or desert the country soon without any logical conclusion, which in fact might later haunt Washington strategically. The exhaustion of the war is forcing American allies of planning exit very soon; even Canada that has maintained good tempo in the war is planning a departure.

Prime Minister Cameron's visit to the White House was capped by the reiteration of the special areas in US-British relation, whatever the differences both countries are still trustable allies. Relations of both countries got chilled in the wake of the BP oil spill in the Gulf of Mexico, and Americans were still troubled by the release of Abdel Basset Ali al-Megrahi, the Libyan intelligence agent who had served eight years of a life

sentence for his role in the December 1988 bombing of Pan Am Flight 103 over Lockerbie, Scotland

Western Europe

EU

How plausible is the trend of a global nationalist movement. What could be the intention of Europe's far-right Conservative parties and ISSUIKAI, a Japanese extreme right group that denies Imperial Japan's atrocities during World War II for holding a week long conference aimed at discussing "The Future of Nationalist Movements"

The direction of EU integration and expansion has been more focused on Western Balkan, where nations are wrestling with EU reforms and incentives in order to seek EU membership card. Iceland is also set to start accession negotiations with the European Union.

Cyber World

Globalization of this era is more intense and rapid due to advance information technology and communication, which is better expressed through the cyber world. The latter sphere has been changing the bearing of the world; hence, UNSC members along with other UNGA members are geared at working out a global "norms of accepted behavior in cyberspace, under the auspices of the United Nations.

Political Issues

The British Prime Minister David Cameron's policy has shown that despite being a Euro-skeptic, British attitude to financial management will not be different from the trend across Europe. Cameron is geared at cutting deficit and reducing the hand of government in the overall running of things, a stark differential position from Obama's big government policy.

The creation of the Lisbon Treaty was not just to empower the EU as an organization but also to increase the voice of Europeans on matters of concern. The troubling issues is to what extent peoples' views will triumph over EU bureaucracy and how much informed Europeans are to generate principled views devoid of sentiments.

Lord Eliza Manningham-Buller, former director of the MI5 agency between 2002 and 2007 let the cat out of the bag as she revealed to the Iraq Inquiry team that Saddam Hussein had no connection with 9/11 and all intelligence shows Iraq was neither a medium or short term threat, instead implicitly she argues American leadership should be blamed for the havoc in Iraq and how Iraq war diverted attention away from fighting terrorism. Her view tallies with scholarly view that Iraq war boosted terrorism and anti-western sentiments across Europe.

British Justice Secretary Kenneth Clarke said the ministry of justice is prepared to tighten up the universal jurisdiction rules acknowledged by Britain, but foreigners will cease to be prosecuted under the rule saved with substantive evidence, so as not to jeopardize Britain's image.

War on burqa is one of the domestic wars across Western Europe on Muslim women in recent times. The Spanish parliament rejected a ban on the burqa or niqab in the public sphere though prefer not to be worn in government buildings. Spanish Muslim organisation believes the veil issue in Spain has no ground but only for political goal scoring.

Economic Issues

Europe was forced in the aftermath of the Greek financial crisis to go for a financial test that will examine the extent to which banks could get prepared for any eventual recession and to restore confidence in European banks. The outcome of the test displayed a failure by many banks.

IMF recent assessment report shows considerable progress in Greece's public finances although clear risks are still visible in the healthcare and social security system.

Substantive global representation and greater role in world system can make Africa lead global recovery. This was the position aired by the former British Prime Minister Gordon Brown for African leaders' summit in Kampala, Brown's submission centres around the more untapped potential and unrealised talents in Africa.

Social/Humanitarian Issue

Israel has investigated the Gaza flotilla crisis but the result believe to lack transparency. An independent inquiry is set to begin under the U.N. Human Rights Council for the same purpose.

It was a long awaited ruling which partly favours Kosovo and more likely to spur UNGA members to recognise Pristina although 69 countries have already given their recognition. For few critics it is unworthy precedent that could further alarm separatist movements around the globe for separate homeland.

Food, Environment and Energy Issue

Criticism of BP is yet to be over even after the block of the spill at the Gulf of Mexico. The oil company is being accused of attempting to hide information from the public and trying to save its face from further public outcry, therefore asking scientists not to disclose their research until the government gives final approval for the company's restoration plan for the whole of the Gulf.

Ivorians would definitely laud the ruling of an Amsterdam district court that fined Trafifigura a Swiss-based company one million euros for dumping health hazard substance

on Abidjan city. The ruling also received praises from the Greens but Trafigura sees it unworthy and plans to appeal.

Geostrategic Issues

It remains an open question whether U.S and EU will change their policy towards Cuba, as the communist island released around 52 political prisoners. Both the US and EU have conditioned good ties with Cuba only when political and social reforms take place on the island.

Southeast Europe

Political Issues

Report has it that Albanian ruling Democratic Party (DP) is ready to compromise with Socialist Party's (SP) on certain issues and only if the latter will not boycott the parliament. Hence possibility to having a joint committee to investigate the June 2009 general elections which is the main cause of the political stalemate will be possible.

Meanwhile, members of Albanian parliament approved of budget change hoping to spur development but rejected by the opposition as reform that will deepen, rather than end the economic crisis.

Albanian judiciary system is tagged by European Commission (EC) expert as one-sided, concerned about lower level corruption while higher up corruption gets little or no attention. Albanian authorities welcomed the ICJ rulings on the legitimacy of Kosovo's independence.

After months of heated debate, the Federation of Bosnia and Herzegovina (FBiH) parliament has approved a law on determining the salaries of public servants and a law on the salaries of police officers. The law is expected to expedite new IMF loan for the country.

Elections in Kosovo newly created Serb-dominated municipality of Partesh/Partes was a success as political power gets down on Serbs in the region to govern themselves.

Political misunderstanding between ruling and opposition is prevalent across the region and Macedonia is no exemption where there is political tension. Macedonian opposition accuses that on behest of the ruling party; police spied and tried to record their conversation with a group of disgruntled workers. Representatives of both parties however have agreed to set an inquiry into the matter.

Opposition and public in Serbia are irked by the new telecommunications law which requires telephone and internet operators to monitor communications and maintain records, which can be accessed at any time by police and security services, without a court order. Many sees it as unconstitutional, though opposition wants police to request court permission before such law could be used.

Economic Issues

EU economic and finance ministers approved a proposal by the European Commission (EC) to launch an excessive deficit procedure for Bulgaria. The country must bring its deficit to below the bloc's 3% of GDP limit by 2011.

Social/Humanitarian Issue

Report from Croatia will be instrumental to clarify and ascertain former Bosnian Serb leader Radovan Karadzic's view that in addition to humanitarian aid, Islamic countries provided Bosnia and Herzegovina with weapons, some of which were smuggled via Croatia.

Despite the favourable ICJ's ruling for Kosovo, the court nevertheless instructed a re-arrest of former Kosovo Prime Minister Ramush Haradinaj, as his 2008 release was unworthy after further investigation shows intimidation of witness.

EULEX's corruption investigation in Kosovo is unabated as organised criminals are thrown into the judiciary net. Kosovo Central Bank Governor Hashim Rexhepi was also arrested as part of a corruption investigation.

According to Reporters Without Borders (RWB) Kosovo journalists are a target of threats from nationalist militants and extremists of all kinds if they try working more professional.

The European Commission (EC) believes Montenegrin's strategy to fight corruption and organised crime is weak because it lacks main goals, deadlines and monitoring mechanisms.

Food, Environment and Energy Issue

The Bulgarian government has finally approved an agreement in support of the Nabucco gas pipeline, an EU-backed project aims to transport up to 31 billion cubic metres of natural gas from the Caspian region to Europe.

Geostrategic Issues

Bulgaria and Italy become the 3rd and 4th EU members after Spain and Malta to ratify the Stabilisation and Association Agreement (SAA) with Serbia. Other EU countries are expected to ratify the agreement that will move Serbia closer to the EU.

As Croatia makes rapid inroad on its EU membership, Zagreb is expected to complete a total of 21 conditions in the judiciary chapter of its accession talks with the EU. News has been in the air that Croatia-EU membership could be realised by 2011.

Upon the ICJ's declaration that Kosovo's independence does not violate international law, the streets of Kosovo became replete with celebrations and hope of

strong statehood hangs in the air. Meanwhile, the ruling is expected to pave way for more recognition of Kosovo even though obstinate Serbia and Russia retain their non-recognition stances. Oppositions in Serbia have asked the prime minister to resign due to the ICJ ruling. Meanwhile, both EU and the UN have agreed to co-ordinate future talks between Kosovo and Serbia,

The European Commission (EC) published progress reports on Bulgaria and Romania. The report praises Bulgaria but criticises Romania for not curbing the powers of its anti-corruption body. The report was not receptive to the Romanian Constitutional Court that holds the report falls short of the ground reality.

The visit of Croatian President Ivo Josipovic to Belgrade was to boost bilateral co-operation and resolve pending issues, such as the return of refugees in Croatia, the border issue, missing persons, and minority rights.

Oceania

Political Issues

It is elections time and every party will want a good picture of itself to be painted. Australian sex party is no exemption promising to break the social cleavage created by older parties for decades. The sex party believes personal life is more sensitive to the people than matter of tax and immigration which are centre issues for older parties.

Australia's future lies in Asia hence to downgrade the essence of the region will be fruitless. This is the new message coming from Prime Minister Julia Gillard, who weeks back cast doubt on the feasibility of a new "Asia Pacific community" forum suggested by ex-PM Rudd. Her new view cannot be disconnected from an attempt to make the region accept her new immigration policy aims at having regional refugee centre in East Timor, a policy objected by few in the region.

Ex PM Rudd could still have more on his plate even after been ousted as prime minister. The UN is thinking of inducting him as part of a panel for development assignment, a position that necessarily will not make Rudd leave his parliamentary seat.

Economic Issues

Social/Humanitarian Issue

David Warren, an Australian scientist who invented the "black box" flight data recorder has expired. His remarkable invention has contributed hugely to flight accident investigation as whatever transpired before flight accident is known through the black box.

Food, Environment and Energy Issue

The new plan by Australian Prime Minister Julia Gillard to have Citizen Assembly across the country that will decide on global warming and environmental law is being criticized. Critics believe she is succumbing to the demand of the powerful mining industry in the wake of election she hopes to win. Ex-PM Rudd was ousted for policy offensive to the mining sector.

Geostrategic Issues

Latin America

Political Issues

Brazil could be influenced by neighbourhood effect in the region wherein women get certain quota in politics. Brazil's political landscape is characterised by gender imbalance and the Lula's government now plans to change the trend by adopting quota system adopted by others in the region.

Mr. Serra, presidential candidate for the Brazilian opposition party's (PSDB) links the ruling (PT or Workers' Party) with the Marxist rebel group (FARC) of Colombia, however Serra notes that it does not suggest Workers' Party is involve in human and drug trafficking. The essence of the allegation is suspicious amid an election run-up, wherein Serra hopes to defeat the Workers' party.

For Chileans going to monitor Venezuelan elections is a political regional responsibility but Caracas sees it as meddling in domestic political affairs.

Economic Issues

Argentina's economy minister is very hopeful of 6 percent economic growth this year. Meanwhile, Argentine president's visit to China appears to have diffused the recent row between the two countries. The visit spurred China agreeing to extend its transportation technology to Argentina.

The Brazilian economy hangs in competing views. According to Reuter's poll the forthcoming election would affect the economy, a view unacceptable to the government who sees Brazil's economy growing by 7% even after the election.

IMF predicts a boosted economy for Colombia if Colombia and Venezuela could shove aside their differences, but economy minister of Colombia believes that a trade obstruction by Venezuela will make no difference because already their level of trade had plunged.

Mexican government predicts a growing economy but unforeseen by the Mexican business community, whose businesses have been hampered by the violence associated with drug cartels.

Not all Venezuelans subscribe to President Chavez's nationalization project, for some Venezuelan economy is better on private business as it pays 70 percent of country's total tax.

Social/Humanitarian Issue

Equal right law for sexual minorities was passed by Argentine Senate pushing the Catholic populated country as the first Latin America to adopt such kind of law. The approval of the law could not be obstructed by the opposition and Catholic Church.

Lula's government is committed at making the dream of hosting the 2014 FIFA world cup a reality as the government revamps the funds for the project. Brazil has been under attack of lacking the will to host the global sporting event.

Mexican drug violence remains a serious concern for both the government and the public as random killings increases across the country.

Food, Environment and Energy Issue

Brazil will not be left out from the forthcoming energy summit in Washington, where Sao Paulo will be showcasing its energy clout and technology. Environmentalists argue against Brazil's plan to constructing giant hydroelectric dams in the Amazon, seen as detrimental to the lives of the natives.

Brazilian oil company Petrobras will be buying 18,000 tones steel from China due to high prices in the domestic markets. The steel is to be utilized in the making of transport vessels in Brazil. Such transaction will further boost their BRIC fraternity.

President Hugo Chavez urges that social networking sites and other hi-tech products are instrumental for good governance, while he favours using these avenues to know public views of his government, technology in his view should not be seen as property of capitalism.

Geostrategic Issues

The direction of Brazil's foreign policy and economy growth is commanding respect for the Latin America giant. President Lula is also lauded for his diplomatic clout hence foreign leaders are making a right choice to strengthening their relations with Sao Paulo.

Tension between Colombia and Venezuela is once again rising over the allegation that the latter is support FARC rebel group, upon which Caracas has called her ambassador from Colombia. The United States seems to be at the centre of contention; Colombia is alleged by Venezuela of dancing to the tune of Washington to wage proxy war on Venezuela. Meanwhile, Ecuador is moving towards an understanding with Colombia after the election of President Santos.

The ALBA summit reiterates its pledge to stand with Iran nuclear programme and condemns the attack on an Iranian mosque as cowardice. Meanwhile, Venezuela is planning to mend difference with the Vatican upon the criticism of Catholic Church community and Vatican on his 21st century socialism. Netherlands and Venezuela are prepared to respect each other sovereignty after Venezuela accuses the Dutch of air space violation.

Russia and its Neighbours

Political Issues

He lost the last general election and became the head of opposition. Jaroslaw Kaczynski, brother of the former Polish prime minister believes the Polish government is not handling well the inquiry into the death of his brother. Jaroslaw Kaczynski's criticism of the government is also criticized as ploy ahead of 2011 parliamentary elections.

The wind was finally cleared as soon as Slovak new Prime Minister Iveta Radičová, agreed to accept the European safety net for indebted economy. Slovakia before then was hesitant joining the 750-billion euro European Financial Stability Facility (EFSF) an issue that became a campaign issue in last Slovakia's June election.

There is a growing change in female electoral participation in east and central Europe particularly in Czech Republic. Female politicians are drawing support and are becoming noticeable like their western counterpart.

Economic Issues

The good performance Russian economy is eye catching but nonetheless, IMF Board of Governors offers a caution note to Moscow to cut its budget deficit.

Investors are urged not to be dissuaded by negative media portrayal of Russia but should rather fathom that since 2000 and the end of 2009, Russia's stock market and economy comparatively has been doing well than western market. This will be true for the new level of relation between Germany and Russia, as companies from the former are set to contribute to Russia development in non-strategic sectors.

Although they have formally signed a Custom Union, but that has not erase the price tussle between Belarus and Russia. The former has no readiness to accept Russia gas rate beyond \$150 1,000 cubic meters. Meanwhile, Russian Finance Ministry has hinted tax hike on gas with the aim of bringing in an extra 180 billion rubles over three years.

IMF was instrumental in bailing Hungary out of its financial recession, but Hungarian Prime Minister Viktor Orban is affirmative to discussing his country budget with EU while IMF gets sidelined. Orban rejects austerity measures in favour of a pro-growth policy to woo voters. Separately, Hungarian Parliament passed a controversial tax

on banks defying warnings from the country's international creditors that the levy would hamper growth.

Polish economy continues to show a growing strength as retail sale rose than expected. Meanwhile, the Polish government does not intend to trim spending and the Central bank hopes to increase rate as balancing force for the growing economy.

The new Czech government is championing a tough budget deficit cut, raising credit rating and to implement the severest austerity package in the history of the republic. The measure will not be new but an integral element of austerity measures unfolding across Europe after the Greek financial crisis.

Ukraine's economy is expected to experience substantive growth as its trade transaction with Russia reaches 50 billion U.S. dollars and an increased export, although Moody's forecast does not expect Ukraine to escape budget deficit likely to stand at 6 percent of GDP in 2010.

Latvian government was gladdened by the recent IMF's resolve to commence 7.5-billion-euro (9.5-billion-dollar) international loan installment to Latvia. The latter smile was broadened by EU decision to open the door for Latvia to receive a 200-million-euro (260 million dollars) aid.

Social/Humanitarian Issue

The recent bombing of the Baksan Hydropower Plant in Kabardino-Balkaria will make Russian law enforcement agencies take serious measures on security at strategic sites, including hydropower plants and other power facilities.

Belarus and Russia are not just members of a common Custom Union but trade partners unsettled on gas price. Tension between the countries is further ignited as media from the two countries portrays each other to be authoritarian.

Heat waves is threatens lives in Russia and not sparing agricultural production. The heat is a record high stealing almost three hundred lives and contributed to the worst drought in 130 years.

Swapped Russian spies are still under state security radar before their fate to live as ordinary citizen will be determined.

Russian Orthodox Church is saddened by the low level of youth in church activities and their perverse social behaviours hence the church is bent on missionary effort to guarding youth towards faith.

Although a strongly Catholic country, gambling is rampant and gays, lesbians, bisexuals demanding equal right for sexual minority. The European Commission is

concerned about Poland's gambling law and sexual minorities are doubtful if they can get equal right.

All former communist countries have always tried to end their communist-Russia history by either putting out of sight communist legacy or rejecting certain communist history of their country. Lithuania like other Baltic states is being urged by Russia to discontinue with falsification policy geared at deleting certain aspects of historical events of the 20th century.

Moldova will be receiving humanitarian help in form of technical aid and two crisis experts from Estonia. The aid follows the flood that hit Moldova.

Food, Environment and Energy Issue

Russian Energy Ministry plans to develop Trebs and Titov oil fields with (\$2 billion) with an extraction possibility of 70 million tons of reserves.

The rising heat in Russia and its effect on agricultural production has forced the government to reverse its grains intervention strategy. Farmers are getting the itch of the heat and state of emergence is declared as heat ruins grains.

Lithuania's government has approved the construction of a floating liquefied natural gas plant in the Baltic Sea, an effort to decrease its dependence on Russian energy supplies. Lithuania gets all its natural gas from Russia and has faced the unexpectedly supply cut during the last few months due to rows between Russia and Belarus.

Geostrategic Issues

Russia is taking a bold step to cement its foreign relation particularly in the north of Europe where Russia has energy and economic interest. Meanwhile, Russia is urging foreign countries not to grant citizenship to persons having criminal record. On a different note, trouble between the US and Russia is yet over as another Russian faces trial in USA for international drug trafficking Russia accuses the USA of violating numerous international rules upon his arrest.

Russia's democracy is always a concern of the western world and often democratic reports by the US State Department or Freedom House gets a non-receptive attention from Russia. The latter claims US administration use double standards in forming opinions about the development of democracy in Russia. Yet President Dmitry Medvedev admitted that Russia should rather work towards perfecting its judiciary system than totally rejecting foreign assessment of the system.

Russian Foreign Ministry is throwing its weight in US neighbourhood urging Colombia and Venezuela to restore a dialogue based on mutual trust with an aim to maintain peace and stability in the region.

Russia's military industry will hit export of \$9 billion by end of the year. India and Venezuela are among top nations finding the Russia military market comfortable. Russian armament department will be boosted by trillion of rubles in order to complement the task of strategic nuclear forces and ground forces.

Russia is bidding for French military hardware is now a concern for NATO allies seeing it as transferring of technology to former foe.

START ratification could be delayed by republicans of US Senate on the ground that Russia has been granted too many concessions.