

Zonal Report 132 Summary
PROJECT ON BUSINESS AND POLITICS IN THE
MUSLIM WORLD

Weekly Presentation: August 18, 2010

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Period: From August 8-13, 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

The on-going election primaries in the U.S are portrayed as a challenge between the establishment and change vanguard. The two larger political parties have been politicizing everything possible in a bid to woo as many voters, come midterm elections.

As Defence Secretary Robert Gates pushes for a cut in Pentagon spending, he is more likely to meet the irritation of the Congress and the Department bureaucracy. Obama's administration welcomes the proposal as an alternative for funding the two exhausted wars. The cut will affect many sections and functions will be eliminated or reassigned.

George Friedman argues in his article "Arizona, Borderlands and U.S.-Mexican Relations" published in Stratfor that U.S-Mexican relation comes a long way. The U.S might have militarily defeated Mexico, but the trend of both legal and illegal immigration across the border from Mexico into United States is a cultural reconquest by the Mexican of the American society.

Political fluctuation in Canada puts both ruling conservative and liberal opposition at a weak end. Having a majority vote is the benchmark of ruling the parliament solely, which both parties do not have. The conservative is reviewing its plan of converting Canadian mandatory census for to voluntary form. The proposed change has been a setback and brought the government under fire. The government believes the change will protect privacy, but rejected by the people.

Economic Issues

The slow pace of economic recovery recorded by the Federal Reserve Open Market Committee could be dangerous for the Obama's administration and democrat

party come midterm elections. Americans are not satisfied with their level of joblessness and low level spending. This is ominous for the government.

The interconnectedness of global economy remains undisputed as global market saw a drop due to slow pace of the American economy and the cooling of Chinese economy. The economic concern accentuates the fear of how long global recovery will take before stabilization.

Social/Humanitarian Issue

As tension mounts across American states over intended public visibility of Muslim, the trend appears to be a crossover syndrome from Europe where similar tension particularly on veiled women has increased more recently. Americans are divided on this debate and the question of singling out a particular faith is surfacing.

A Canadian judge rejected Taser International Inc's bid to quash the findings of a government inquiry that said stun guns could be lethal and which urged police to restrict their use.

The recent action by the Canadian government on immigrant ship destined for Canada is said to be hyper as the government failed to ascertain the authenticity and exigent need of the boaters before rejecting them.

Food, Environment and Energy Issue

Geostrategic Issues

Some members of the U.S Congress are against the decision of sending military assistance to the Lebanese army on ground that it might end up with Hezbollah. This heightens Lebanese's grievance that Washington is playing an unfair game simply because of Israeli involvement.

It was seen as a fulfillment of campaign promise, but the policy of Iraq withdrawal is expected to affect the war torn country. Iraq is believed not to be ripe enough for withdrawal owing to the numerous issues contending the country and as a former Iraqi leader observed, American withdrawal will amount to leaving the country to wolves. Similarly, American military officers in Afghanistan are worried for any troop withdrawal because situation in the country does not warrant such troop reduction.

Western Europe

Political Issues

It appears the European Socialist Party is losing grip of popular support as demonstrated by the last EU election. In a bid to reorganize itself, the party is proposing to adopt U.S-style primaries for electing EU commission president.

Economic Issues

The austerity measures unfolding in the UK is a clear indication that the British government is not undertaking anything novel from the trend across Europe. The new British government has planned cutting public spending and closing up certain sections of the economic sectors. Like elsewhere in Europe, Britons are not that comfortable with the austerity plans.

Solidarity is yet to gain full ground within the European Union, the Greek financial crisis gives a testimony to that fact and the recent retraction by the Slovak government not to contribute in the whole €10 billion EU-IMF package for weak economies like Greek further enunciate the situation. Meanwhile, Brussels is geared at cutting of its bureaucratic finances, a demand by member states, asking Brussels to undertake austerity measures as seen across Europe.

Despite enjoying the financial bailout of EU-IMF and keeping austerity measures, the Greek economy is reported to be shrinking and faces 12% of unemployment

Meanwhile the German economy was reported with a surge, a record high since the reunification of the Germany. The growth of the German industrial sectors and competitiveness within the Eurozone contribute to soar. Economy growth is also true for Spain but punctuated by pessimism due to fluctuation in the economy. European market however recorded a drop in shares.

Social/Humanitarian Issue

Britain's advertising watchdog has banned the anti-terrorism advert asking neighbours to be vigilant and to report people acting inwardly in the neighbourhood to police. The ban is intended to curb erroneous reporting and unnecessary harassment of good citizens.

Still in Britain, the immunity granted to security officers to treat suspected terrorist wickedly will no more be condone. The British Crown Prosecution Service has ordered the trial of Scotland Yard policemen who criminally maltreated Babar Ahmad, suspected for terrorism.

Hamburg authorities finally shut down Masjid Taiba in Hamburg, known previously as Al Quds mosque, purportedly used by 9/11 attackers. Hamburg intelligence suggests it is grooming Germans for violence.

Tariq Ramadan could not prove himself right before the court, as an Amsterdam court threw out his wrongful dismissal lawsuit. The court observed that Ramadan does not recognise the gravity of his programme aired by an Iranian channel on the public.

The trouble of Google, the Internet giant is yet to be over in Europe over its Street view programme. Germans are opting out from Google's programme on the ground their privacy is not protected by the programme.

The expulsion and destruction of Roma's houses from France further rings the bell that troubles for Roma are unfinished. The extent to the expulsion plan will favour French President Nicolas Sarkozy politically is an unanswered question.

Food, Environment and Energy Issue

The Portuguese government is diverting attention more closely to renewable resources as a way of reducing dependence on fossil fuel and creating a cleaner environment. The oil spill at the Gulf of Mexico is making governments to having a rethink over fossil fuel and at the same time facilitating a diversified energy source.

Geostrategic Issues

The European Union is on the verge of reconsidering its relations with Pakistan. The bloc is expected to boost economic ties with Pakistan by adding Islamabad into its Generalised System of Preferences (GSP) scheme but quality production will determine Pakistan's eligibility to the scheme. Meanwhile the bloc has not closed its eye for humanitarian aid for flood victims.

An international peace mediation workshop was recently organized by the European Commission (EC) and the Crisis Management Initiative (CMI) in Jakarta to promote cooperation between ASEAN and the European Union (EU) on conflict mediation and prevention in the region.

The plan by the British government to cut military budget cannot be disconnected from the wave of economic situation and budget cut across Europe. The proposal comes amid the announcement of U.S Defense Secretary planning to reduce Pentagon's spending.

As EU-Russia relation moves around mutual understanding, it was a surprise for the bloc to know that Russia has stationed S-300 ground-to-air missiles in Georgia's disputed Abkhazia region. Both parties are not in mood of brawl but Russia's action suggest Moscow still want its hegemony recognise in the neighbourhood

Oceania

Political Issues

As the nation prepares for knife-edge elections, the ruling labour and liberal opposition parties wrestle over the best domestic and foreign policies for Australia. According to polls, the outcome of the election could result to the first hung parliament in 70 years.

The ruling party sees China and Asia-Pacific region as focal point, while the opposition believes Canberra should reduce reliance on Beijing and plans to sell uranium to India if elected even though it is against Australia's policy to sell its substance to country outside the NPT. China is calling for a new level of military relations with

Australia with the aim of fortifying the Pacific and Asia in general; although such level of military ties might not go down well with the U.S.

Economic Issues

Australia economy was one of the least affected by the recent past global financial crisis. The economy was fortified and quickly recovered along with other larger Asian economies. Nonetheless, Qantas, Australia largest airliner reported a profit drop, but still optimistic owing to its financial backup.

Social/Humanitarian Issue

Australian Labour government under ex-PM Rudd Kevin made a landmark apology to the aborigine community for ills done against them, despite the apology according to Amnesty International the aborigine communities are still lagging behind. The plight of this community is said to be missing in the election talk as parties woo voters.

Food, Environment and Energy Issue

Geostrategic Issues

Latin America

Political Issues

Brazilian presidential aspirant, Mr. Serra is taking a strong stance against current policy adopted by Lula's government. Serra from the PSDB party wants Brazil to keep off from meddling in Venezuela-Colombia imbroglio and in U.S-Iran political standoff. This statement came amid the intention of President Lula to visit Bogota and Caracas in a bid to foster multilateral cooperation, although Lula believes FARC issue is Colombia's internal matter and neighbours should not be thrown blames, Brazil though said it will help combat FARC if requested.

Newly elected president of Colombia Mr. Santos is calling for a peaceful neighbourhood and co-existence with Venezuela despite their current tension and also ready for negotiation with FARC rebel if the latter will renounce violence. Santos' inauguration was an avenue to resolve many pending issues within the region. It was an occasion graced by regional leaders and China was also represented.

Mexican President Calderon plans to intensify effort on money laundering along fighting drug cartel whose sphere of influence is also visible in other illicit businesses. Meanwhile as violence exacerbates and most Mexicans get more tensed, sizeable Mexicans according to PEW survey support military action against drug cartels. Former President Fox insinuated that Mexico's drug problem can be solved if the drug is legalized.

Retired Venezuelan military generals are to face conspiracy trial soon because they questioned the uncautioned presence of Cuban military in Venezuelan strategic military institutions, a view rejected by the government as baseless.

President Chavez continues to make headway in his twitter account, garnering followers daily. Chavez believes that with the social network his message can travel wide.

Economic Issues

Brazil's finance ministry is forecasting a growth of the economy around 5.7%, the economy has experience an rapid growth more recently and drew world attention.

Colombian President Santos has lot on his shoulder to accomplished, especially lifting the economy from its current stage. Crisis with Venezuela and internal skirmishes are factors hampering Colombian economy, all of which Santos must face.

Venezuela claims its economy is slowly walking out from recession as unemployment rate declines and the economy is rebounding.

Social/Humanitarian Issue

Chile's copper reserve is over 200 million tons, almost one third of the world's reserve. But the recent accident at one of its mines killing 22 persons made Chile's president shortened her Colombia visit for Colombian presidential inauguration.

Opening a new dimension to the tension between both countries, an attorney from Bogota is reported to have filed a case on behalf of victims of FARC against President Hugo Chavez at International Court of Justice for abetting FARC, accused of killing many Colombians.

Food, Environment and Energy Issue

Argentine government plans to increase its level of soy production, being the crop largest exporter, Argentina will also be increasing its wheat production due to wheat scarcity in global market.

Argentina and Bolivia have entered into an energy agreement allowing the latter to supply 27 million cubic natural gas daily to northern Argentina province of Salta.

As the world faces the menace of global warming and climate change, every government hopes to make policy that will reduce the threat. Hence, the Brazilian government announces a 49% reduction in deforestation, an achievement tied to better environmental policies.

Mexican government is increasing its effort to combat health problems menacing the country with a support from China. At the same time, Mexico wants the world to pay

serious attention to environment related issue as global warming and climate worries the globe.

Geostrategic Issues

There is an increasingly scope for growth and cooperation between South America and Africa. Both continents are rechanneling their resource towards the progress of global south and the recent bi-continental summit held in Venezuela heightened that prospect.

Venezuela's bid for MERCOSUR membership is yet unfulfilled due to the rejection by the Paraguayan parliament arguing against Chavez's aggressive policy in the region. Venezuela wants the U.S ambassador to Caracas be changed due to his interference in domestic issue.

Russia and its Neighbours

Political Issues

Dagestan-Russian back government has planed to initiate militia within the region to combat Mujahideen with the aim of reducing cost of using either Dagestan's police or Russia forces. The militias are to be inducted on contract basis among youth wanting better life option.

Polish President Bronislaw Komorowski has been sworn in, in an inaugural punctuated with pledge of promoting sound economy and boosting solidarity among various political parties and the most important institutions of the state such as the government, the parliament.

It is the first step of success for the Czech Republic's centre-right government led by Prime Minister Petr Necas, to have won a confidence vote in parliament and a parliamentary approval to cut budget and reform pensions and health care.

With the increasingly Belarus-Russia misgiving, Moscow is being tempted to meddle in Belarus's forthcoming election by supporting a candidate against incumbent Aleksander Lukashenko. Political meddling could also be true for Moldova, where the joint action of Russia and Ukraine aimed to bring breakaway province of Transdnistria under control along with the rest of Moldova.

Economic Issues

According to the Federal Statistics Service in Moscow, Russian gross domestic product grew 5.2 percent from a year earlier, compared with 2.9 percent growth in the January-March period.

Russia's battered auto industry could have a cause to thank the government due to the additional funds infused into the sector to supporting traders trading in domestically made cars aged 10 years or older. The cash for clunkers programme is expected to balloon the car industry to 15% growth during this year.

EU and Ukraine are expecting to start the next round of negotiations on creating a free trade zone in early October. The two sides will discuss issues related to access of goods, particularly agricultural products, customs tariffs, domestic support of agriculture, sanitary and protection of intellectual property rights.

Despite the need of IMF, the Ukrainian Communist party is questioning government further relation with IMF on the ground that existing IMF conditions are affecting the people.

The Robin Hood tax championed by the Hungarian government has been set rolling. Huge tax is demanded from the rich industrial sectors, so as to pay the taxes of the poor, a measure for closing the deficit gap of the economy. Prime Minister Viktor Orban, whose party won recent election called on the country to ride itself from the claws of IMF and has planned not to further cut budget has demanded by the financial institution. Doing this will be following Malaysia and Turkey's way when both countries rejected IMF in order to stabilise their economies.

Polish commissioner in charge of the EU budget, Janusz Lewandowski, has said new proposal regarding extending the EU Tax structure by levying new taxes on the financial sector will definitely boost the EU revenue sources about €30 billion to €40 billion a year. France, UK and Germany have been opposing the plans for creating an EU tax.

Czech economy got a positive rating from S&P, as an economy having a stable debt with a sixth-highest investment grade. Meanwhile, Czech Republic has rejected North Korea's mode for debt payment. The Communist state wants Czech to write off lion share of its debt and ready to pay \$10 million in debt in form of ginseng.

The visit of International Monetary Fund (IMF) to Latvia is productive for the latter as IMF announced to provide Latvia with another loan tranche of 105.8 million Euros (135.6 million US dollars).

According to Statistics Estonia, gross domestic product (GDP) grew 3.5 per cent from April to June compared to the same period last year, putting Estonia behind only Sweden among European Union members in its growth rate.

Social/Humanitarian Issue

There has been an increasingly demand for a change in Russia with particular reference to its political and social structure. During the last week Russian Human Rights activists were apprehended by security agents for staging anti-government protest. Will the arrest further spell out the view that government does not entertain alternative view?

Russian marks ten years since the Kursk submarine disaster, analyses are pouring in on the eventual cause of the disaster with a more striking account that the accident could not be disconnected from the Cold War arms struggle between US and Russia.

Russia is unhappy with the U. S. Department of State's Country Report on Terrorism 2009 covering Georgia, the report was rejected by Russia as biased accusing Russia of exporting terrorism while fell short to mention Tbilisi's dealing with terrorist groups in the North Caucasus region.

The Hungarian oppositions have rejected government's huge influence on country's media, calling for a democratic media institution in a new globalized world.

Food, Environment and Energy Issue

After a protracted construction of the first light water nuclear plant by Russia for Iran, the former said the plant is completed and ready to be loaded with nuclear fuel. The announcement has garnered another wave of hostility and suspicion from the West.

Russian wildfire accidents have caused the economy \$15 Billion, hugely affected its grain production and made the government prohibits export of the cash crop. The prohibition is causing food prices hysteria across Europe and among Russia neighbours. But the authority cautioned that export is possible only if the grain harvest reaches 65 million tons.

The Russian government understands the extent to which the wildfire has havocked the economy; therefore promised to grant \$1.15 billion in state support, coupled with that is the \$4.5 million donation from the United States and 100,000 Euros of assistance delivered by Estonia.

Russia-Belarus argument is resurfacing yet on Belarus nuclear plant. Minsk wants transparency from Russia to build the plant on its soil; otherwise Belarus will be considering other investor as China has shown interest.

Should the thesis of global warming and climate change be untrue, people around the world will not be crying over the wrath of natural risk on their environments. Russia faces wildfire, Poland, Czech Republic and eastern Germany could not escape the inundation of floods. Then Greenpeace warning against deforestation across Europe and particularly in Poland is undoubtedly apt.

Geostrategic Issues

Unhappy with its moribund defense hardware and system, Russian government is increasing its military spending and that is manifesting in the latest military crafts and hardware ready to be showcase by the Russian defense ministry.

Reciprocity is demanded by Belarus before it could recognise Abkhazia and South Ossetia. Lukashenko believes Russia is not ready to help out on the eventual consequences of such recognition as relations with U.S, EU and CIS could be strained.

Georgia is yet to consider Abkhazia as an independent state, thus Abkhazia and its waters are considered as part of Georgian territory. Therefore the plan by Russia to help Abkhazia build up sea border patrols around the Black Sea will be nothing less than an affront to Georgia sovereignty.