

**Zonal Report 137 Summary**  
**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 East/Central Europe.

US/Canada

Political Issues

The debate over tax extension has divided democrat Congressmen, White House is opposed to extending tax for rich Americans, doing that could be detrimental for most congressmen struggling to retain their seats in a hot congressional election. Senate republicans say they are prepared to give the White House all that it takes to keep the Bush era tax cut.

Meanwhile, report has it that republicans are leading democrats in election adverts and campaign spending is flooded by deep-pocketed donors.

Polls however suggest that Americans are though not happy with Obama's administration handling of the economy but are comfortable with democrats as compared to republicans.

American presidential election is far from being around the corner but prospective G.O.P presidential candidates have started testing their clout across the country through republican organized summits. Sarah Palin, a leading figure in the revolutionary Tea Party groups is receiving considerable spotlight.

Economic Issues

Social/Humanitarian Issue

American extremists have indeed played into the hand of Muslim in building solidarity for the proposed Ground Zero centre. The centre at the start received certain degree of trepidation among some Muslims but that fear has transformed into solidarity due to the current of Islamophobia that followed the announcement of the centre.

Food, Environment and Energy Issue

The ruptured pipeline in California has spotlighted the security concern of energy pipeline across the nation. The rupture unveiled the need for proper mechanism for checking pipelines, with particular reference to private company involved.

Final cementation of leak created by BP at the Gulf of Mexico is underway, the seal is expected to put an end to the spill that for months troubled the United States and raised eye brow between London and Washington.

### Geostrategic Issues

His rating at home might be nothing to write home about, but back in Europe, Europeans' judgment of him is much higher than Americans. President Obama has been able to receive considerable points for his handling of international affairs, though Europeans were not as optimistic as Americans on certain issues such as Afghanistan and Iran.

Obama administration wants a \$60 billion military deal with Saudi Arabia to give more leverage to Riyadh in the region amid growing tension over Iran nuclear weapon. But Congress is yet to decide if the deal will challenge Israel military superiority.

Effort by the Obama administration to facilitate the Yemeni government in combating al-Qaeda's threat is dividing military officers in Washington. The military aid is expected to roll-back insurgency in the desert country but opponents believe American weapons could end up with al-Qaeda.

Washington is throwing in all pressure on both sides of the coin for many reasons. If Israel must see a peaceful neighbourhood it has to compromise in the on-going Mideast Peace Process, and if Arab would like to see the state of Palestine they would have to concede few of their grievances against Tel Aviv, such as not resubmitting petition against Israel secretive nuclear capability to IAEA.

### Western Europe

#### Political Issues

The EU is not just a collection of countries but an alliance of countries having shared interest. The Visegrad countries (the Czech Republic, Hungary, Poland and Slovakia) are one of the interest groupings within the EU urging the bloc to support their energy infrastructure projects for the next budget year.

France's expulsion of Roma is creating a crack within the EU as members are widely unhappy with the expulsion. The saga also brought forward certain forgotten episodes of the Nazi's atrocity as regard the massacre of Roma, though only Jew persecutions have always been highlighted. The matter has escalated across the Atlantic, U.S American lawmakers also showing discontentment towards the French

discriminatory policies. Paris of course was not silent and comfortable with the tirade thrown, that regardless of its EU membership French integrity must not be insulted.

Sweden's center-right government heads into Sunday's election with a commanding lead in the polls, boosted by popular tax cuts and healthy public finances that stand out in debt-ridden Europe. The election will show another defeat for the Social Democrats.

Defending the policy of reaching out to the neglected emerging economies, the British government holds that economic ties will not becloud its fight against human right violation. The new government tends to keep a balance and stay clear from accusation levied on previous government for taking flexible stance on human right violation in lieu of economic benefits.

### Economic Issues

The new EU findings which states that senior lobbyists profit from expanding EU's projects and even earn much as more than EU senior officials will justify the clamour by certain angle of the EU that the bloc's expenditures should be cut. This can also bring back home similar argument in Washington that role of lobbyists should be reduce in politics.

As Pakistan gets enlisted into EU new strategic partners, it makes the protracted issue of Generalised System of Preferences Plus scheme, which offers a reduced-tariff regime in return for democratic reform commitments in 2014 and accessibility of Pakistan into EU market much easier. Protectionism is one factor for which Pakistan's name was previously objected.

The EU also reached a compromise on South Korea after overcoming reservations of EU car makers. The deal opens EU car market to Seoul and expected to enter into force on 1 July 2011.

The general cut on government spending across Europe is having a great impact on the entire economy. In the UK, defense spending is being critically examined amid a fear that such slash might endanger British military strength and influence.

Greek streets are witnessing another round of protests as government intensifies reform effort aim at stabilizing and opening up the receded economy. If Athens continues to play by IMF's rules, the financial borrower will not hesitate to approve more loan as part of the bail out package.

### Social/Humanitarian Issue

Leaked report from the French Interior ministry is reported to have contradicted the position of government that expulsion of Roma was not premeditated and purposeful. Despite the international condemnation, French rightists are supporting Sarkozy on the issue.

French Senate passed the bill banning veil in the public with a heavy fine for violators of the law. Before the law will go into force, the Constitutional Council will need to examine its legality. Though the bill receives appreciable support and believes to be officializing the growing Islamophobia.

As the Roma saga divides the EU, the less address issue is the economic status of the Roma that for long have been EU discriminated ethnic group even in their homeland like Romania and Bulgaria. Life abroad for some Roma is better than living in the homeland where life is not bearable.

Amid a wide spread animosity for the Catholic Church and slight protest for the papal's London visit. Pope Benedict XVI mustered the courage to publicly denounce as shameful the scandal that rocked the Church he is leading.

#### Food, Environment and Energy Issue

The UN Food and Agricultural Organization's report records a drop in the number of hungry people in the world. The development owes to the fall in food prices, though the organization does not fence the reality that an estimated 925 million people are undernourished worldwide.

Investing in renewable resources and reducing emission of greenhouse gas are important energy on EU table. The coal resource countries want subsidies for their sector to be extended till 2018, a plea rejected by EU climate change countries.

#### Geostrategic Issues

Afghanistan elections this time around will be conducted with the aid of EU sponsored women security forces in order to ensure adequate women participation and general election good conduct. The effort was part of EU €35 million election-support budget for Afghanistan.

The designation of six new developing countries as 'strategic partners' of Europe is an indication that the bloc is waking up to the growing influence these countries irrespective of their location. Egypt, Israel, Indonesia, Pakistan, Ukraine and South Korea are the new 'strategic partners' to join the EU's existing nine partners.

#### Southeast Europe

#### Political Issues

The criminal and judiciary system of Bulgaria and Romania have again come under EU radar. As EU members, their systems are still lagging behind and Brussels expects both countries to intensify reform effort in that regard.

The pressure of junior coalition partner has forced the major Albanian ruling party to agree to cabinet reshuffling and has been approved by the parliament. Meanwhile President Topi urges the judiciary not to sit on the fence but to become active in resolving the conflict between ruling and opposition parties.

October 3<sup>rd</sup> elections will be a decisive date for voters in Bosnia, but the apathy of youth and women is big concern for political parties, taking advantage of the internet to woo voters' participation.

The recent property law passed by Serb entity parliament will further make other ethnic Bosnians question the intentions of Republika Srpska's (RS). Republika Srpska's (RS) parliament adopted a Law on State Property, which stipulates that the Bosnia and Herzegovina (BiH) entity will manage, secure and protect all forms of property within its territory; the law is rejected by Bosniaks as contradictory to the Dayton Peace Accords.

Nine years after the last census, Macedonia will have another population count by April next year, a process to be monitored by EUROSTAT.

Ethnic politics continues to polarize Macedonians, while majority of Macedonians want to join the EU and NATO but not at the cost of their identity, ethnic Macedonian Albanians want the government to sacrifice whatever it takes to secure their membership of EU. The name dispute between Macedonia and Greece has been one of the deadlocks for Macedonia-EU talks.

Serbian opposition parties are gearing up for a bigger alliance that could force the government into going for an election. Politics in Serbia has always been around Serb identity, issue of Kosovo and EU integration.

#### Economic Issues

Romanian civil servants have planned to launch a large strike action against massive unemployment in the country and pension cut.

#### Social/Humanitarian Issue

War criminals are facing justice across the region as governments are pulling all strings to ensure that ills of the past do not go unaddressed. Meanwhile Bulgarian President Georgi Parvanov broke his silence as he referred to the expulsion of Roma from France as un-normal, violating European spirit.

#### Food, Environment and Energy Issue

#### Geostrategic Issues

Athens is taking seriously the murder of a Greek in Albania, Greece has warned Tirana to protect Greek minority otherwise its EU accession talks could see a roadblock

as it is the case with Macedonia. Albanian Prime Minister Sali Berisha urges Athens not to walk that path.

Prospective talks between Kosovo and Serbia has divided the country, although around 60% of a surveyed group wants the talk. Pristina believes it should be under the auspices of UN, U.S and EU and rejects discussing Kosovo's independence. Meanwhile NATO Secretary-General Anders Fogh Rasmussen urged Alliance members not to be too fast with scaling down troops in Kosovo, because Pristina's ability to manage security is still in the making.

European Commission is preparing report on Serbia's readiness for the EU amid all diplomatic crises surrounding Belgrade. Meanwhile, Austria parliament has signaled to ratify the Stabilisation and Association Agreement (SAA) with Serbia by the end of the year.

Oceania

Political Issues

Labour party is not ready to lose the support of its coalition partners (green and independent parties) therefore increasing tax for the powerful mining sector is out of the question. Attempt to increase tax for the sector was instrumental for the fall of ex-PM Kevin Rudd. Meanwhile, opposition party has vowed to shatter the newly formed coalition government.

Economic Issues

A merger of Rio and BHP is a threat for Asian and European steelmakers. The two mining giants have been negotiating a joint venture; the possibility of such venture will be determined by The Australian Competition and Consumer Commission (ACCC) decision, which is still pending.

Australia's third largest export country is India and as trade surplus between the two records around \$14.5 billion US in 2009, the importance of New Delhi to Canberra cannot be downplayed. Reserve Bank of Australia notes that China's economy should not be allowed to over cloud the importance of India.

Social/Humanitarian Issue

Victorian Supreme Court in Melbourne hosted five Muslim men charged with attempt to commit act of terror. The action of men was reported to be a reaction to attack of Muslim states of Iraq and Afghanistan. Meanwhile, the presiding judge state, the court is only to prosecute the men for the charges and nothing to do with Islam.

Professor Ray Norris is making attempt to increase the status of Australian aborigine as world first astronomers through his profound study of the ancient recorded tradition of the neglected community of Australia.

Food, Environment and Energy Issue

Geostrategic Issues

Latin America

Political Issues

Political polls in Brazil maintains similar pattern, with the delineation of Ms. Rousseff leading other president aspirants. Mr. Serra, the runner-up is accusing Worker's Party of dirty trick as in character assassination.

Colombian President Santos has started challenging corruption, crimes and rebellion within and across Colombia's border. The government is picking on corrupt government officials and FARC rebel group, though his administration wanted a negotiation with FARC.

Mexico like many in the region celebrates its 200 years independence anniversary, amid the celebration was the total rejection of drawing a parallel between Mexico and Colombia as two violent countries. Mexican drug cartels and Colombian's FARC are two different entities, the latter is political and the former is business oriented, hence it is erroneous for Secretary of State Hilary Clinton referring to Mexico as new Colombia.

Amid a tight parliamentary election run-up, President Hugo Chavez is wooing voters to support his party for a majority in the parliament. Chavez might have to succumb to the Jewish community demand as part of election strategy, a community that complains of discrimination. Meanwhile, Chavez continues nationalization of foreign companies, also reducing the movement of FARC across the border in line with the understanding between Venezuela and Colombia.

Economic Issues

The Argentine government is taking no chance to increase economic and trade ties within and across the region. Indo-Argentine trade ties reached a new height with huge investment worth \$billions between the two countries.

Inflation and weakness of Venezuelan economy is linked to low oil exploration, trade dispute with Colombia and attack on privatisation, yet Venezuelan Central Bank is hopeful of having a stable economy in three years time.

ALBA countries are geared at creating a competitive aviation environment and increasing revenue through tourism, by having a common airline with cheaper rate than other commercial airline for ALBA countries.

#### Social/Humanitarian Issue

Brazil's labor ministry has started effort to breakdown feudalistic actions between farmers and their labourers. The inhumane actions are becoming more noticeable to the public and government's duty is to redress the situation.

Former Chilean President Michelle Bachelet has been appointed as head of United Nations Women (UN Women). The post bears the responsibility of eradicating indifference and discrimination of women in the public sphere. Bachelet holds that discrimination of women is a global disease that requires global treatment.

There is a condemnation of U.S bases in Colombia and criticism of Colombian military's human right violation under the premise of fight against crimes. Notwithstanding, another \$30 million is issued by Washington Colombia to fight drug and rebel groups.

It is a protracted fight that Mexican government must fight with prudence and tactics in order not to exacerbate the human right violation which the war on drug lords has caused the country. Amid kidnapping and killing of innocents and journalists, government agents are apprehending few of the drug barons.

#### Food, Environment and Energy Issue

#### Geostrategic Issues

Developing and strengthening their military arsenal is a shared concern for Argentina and Brazil. The latter will be helping the former to developing and upgrading its defense plane system planes.

The leading Brazilian presidential aspirant Ms. Rousseff re-outlined Brazil's foreign policy aimed at global peace but never in consonance with global rogue actions. This stance was reiterated to explain Brazil's policy towards Iran.

Colombian-Venezuelan leaders have intensified restoration of damaged ties, but havoc caused by ten years skirmishes will make trust deficit haunt both countries.

#### Russia and its Neighbours

#### Political Issues

Moscow's Mayor Yuri Luzhkov finds himself at a new political threshold, as the air is replete with the sensation that he might be replaced soon. Nonetheless, preparations

for 2011 Russian parliamentary elections are underway, opposition parties are taking no chance to be left out from the public office.

### Economic Issues

Russian leaderships are pushing for a balanced macroeconomic policy aimed at boosting Russian economy, simultaneously appears not to be inward looking as it opens opportunities for competitive investors across the globe. The recent Arab investment in Sochi project is a testimony and tallies with Russian President Dmitry Medvedev's plan to make Russia a global financial hub.

As a growing industrial economy, the role of migrant workers cannot be understated, but Russia remains fearful of being overwhelmed by the debouching of the migrants

### Social/Humanitarian Issue

Although it is a national interest matter for Georgia to adopt English as the language of development but in reality it is a blow to Russia because English will have to replace Russian and that could further exacerbate the tension between a pro-Western government and Moscow.

Yoga is increasingly becoming an acceptable pop culture for many Russians and that is also increasing Russian traveling to India to familiarize themselves with such kind of Indian ancient traditions.

Communist Russia era was symbolic for its disrespect for religion, a trend that has somewhat changed after the collapse of that system and religion is increasingly taking a position in the public sphere. Thus, the permission to Russia's Orthodox Church priests serving as military chaplains and servicemen is part of that manifestation.

For neighbours in other parts of Europe, the news that Russian women are occupying top jobs and having good public representation will be good news. This trend is reported to have picked up since the fall of communism, though a trend not fashionable for many people in Russia especially areas where men are affected.

Could the life of centuries old bacteria helps to find a way for human to live longer than expected, this is an intriguing question yet unanswered by Russian scientist at Tyumen State Oil and Gas University.

### Food, Environment and Energy Issue

Leadership in Russia has become obstinate more recently to accelerate the development of the country in all fields, but attaining that will not be solely shouldered by Russia without the co-operative hands of European friends. This will be true for the different investment opportunity Russia is creating for foreign investors.

Russia and Norway ended decades of tussle over ownership of a part of the Arctic. The settlement allows Russia to commence energy exploration with the aim of strengthening energy-economic ties with the Nordic country. But that will be untrue for Canada, urging Moscow to allow scientific evidence determines the ownership of Lomonosov Ridge under the Arctic Ocean.

Balancing the global oil production could now rest on Russia, which production level will have to reach a congruent position with OPEC production.

Russia is set to cooperate with China and Croatia on constructing nuclear power plant in the two latter countries.

### Geostrategic Issues

France's defense minister defended the possible sale of French Mistral helicopter carriers to Russia and dismissed concerns that it could undermine the security of Georgia.

Despite all concerns by the Israeli authority, Russia is bent to honour military deal with Syria which allows the latter to have Russian made P-800 Yakhont missiles having a range of 300 kilometers, difficult to detect and intercept them.

If Russia cannot be completely disregarded from Europe on many grounds, therefore it behooves both Russia and NATO to jointly analyze any missile defense system, as any missile risk to Europe is an indirectly attack on Russia.