

**Zonal Report 139 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 its Neighbour and East/Central Europe.

US/Canada

Political Issues

Evils that man do lives after them is a saying and across the republican party will have shoulder. As the midterm elections draws closer, the democrat party has launched offensive ads, challenging the past of republicans in the Congress. Meanwhile, republicans' spending has outmatched democrats amid democrats' wealthy supporters cutting support.

As the election days move in, President Obama paid a visit to University of Wisconsin-Madison to rally liberal progressive for his party and demonizing republicans' promise of deficit cut.

Canada's minority government remains ahead of all opposition parties according to the latest poll by EKOs, the latter has been noticing an oscillation in public rating of the parties.

Economic Issues

Saving the Canadian economy is one serious objective Canadian Prime-Minister Stephen Harper is trying to achieve as his government works with French investigators to nail Canadian tax evaders having offshore assets in Switzerland and HSBC. In the same vein, Canadian government will be limiting the increases in employment insurance premiums to avoid derailing economic recovery.

Canadian National Railway manages reached a deal with Canadian railway workers, a deal that averted a possible labour showdown at Canada's largest rail carrier.

Social/Humanitarian Issue

Drug related crime is expected to command lesser penalty in California through the legalization of drug like marijuana. The law is expected to change the racial discrimination of existing law and reduce government spending on prisoners and prisons.

Despite the claim of being a religious country, PEW survey suggests that most Americans are ignorant of either their religion or other world religions. This is however untrue for American atheists, agnostics, Jews and Mormons having better understanding of world religions.

#### Food, Environment and Energy Issue

The oil exploration is expected to begin in Cuba's water but the growing fear that a repetition of oil spill in Cuba will be equally detrimental to the United States due to proximity. Could the Americans stop Cubans from exploring oil on their territory?

Canadian Environment Minister Jim Prentice has constituted a panel that will investigate the environmental implications of the Alberta's oil sands projects exploration. The issue has been making headlines and environmentalists are concerned about pollution of Athabasca River

#### Geostrategic Issues

Stuxnet, the cyber virus worries many countries especially Iran in recent times, a reminder to the issue of cyberdefense system few countries have been calling for. The virus is said to have attacked Iran's nuclear computer even though Tehran is not consenting, yet the air is filled with the view that the West will be using everything possible to rollback Iran's suspected nuclear programme.

U.S cum NATO drone attacks has intensified to a level forcing Pakistani government and its people to raise their voices. The attacks are seen unworthy for the climate of tension in the region.

#### Western Europe

#### Political Issues

France remains under EU's fire over the impasse of Roma expulsion. The EU plans to sue Paris for violating EU's law on freedom of movement. Meanwhile, the European Commission (EC) is set to provide financial aid to Greece to reform its asylum system as Athens' asylum infrastructures is believed to be lagging behind rules.

For EU opening the chapters of food safety and veterinary health with Ankara is significant and displays that Brussels is committed to Turkey-EU integration. EU in recent time faces criticism of alienating Turkey and pushing Ankara eastward. Similarly some EU members are worried about delaying Ankara-EU integration, thus supporters of Ankara urges EU to be futuristic about Turkey.

The logic behind EU renewal of travel ban for Belarusian leadership is to see political change in that country, even though President Aleksander Lukashenko said he wants to repair ties with Brussels.

The Dutch coalition government will have to prove itself as non anti-immigration and Islam. The coalition government is made up of Wilders's party echoing high rhetoric of closing down on immigration and stopping The Netherlands of Islamization; a view the opposition does not share.

#### Economic Issues

The EU is heading for a new strategic partnership with Asian emerging economies, but that partnership could be hurdles for perennial issues of WTO and IMF leadership. Asian economies are said to be wrangling for a change in the IMF leadership structure, which has been largely dominated by the EU and U.S, a representation of post 2<sup>nd</sup> World war scenario.

The message of European protesters across Europe to their governments is to redress the austerity measures. The all around Europe protests were spearheaded by Unions against banks and aimed at pressuring government to change gear.

In an economy facing deficit crisis, the British government is grappling on how to keep welfare package to the public and simultaneously cut public spending.

The Irish prime minister once denounces the parallel of his country's and Greek economy, but a recent report shows the extent to which the Irish financial system is affected. The question is whether or not the EU will be doing same bailing action for Ireland.

EU MEPs want the commission to investigate defense deal between Germany and two southern Europe countries. The deal is thought to be responsible for the economic crisis of these countries and believed to be hypocritical of the EU asking for austerity measures and at the same time encouraging huge defense transactions.

Amid cries over austerity measures which have produced series of strike actions, the Greek government reached an agreement with banks operating in Greece to inject 25 billion euros into the economy in the form of loans.

#### Social/Humanitarian Issue

The European Commission plans to take the United Kingdom to court for not fully implementing data privacy rules for online users and allowing service providers to use "behavioural advertising" based on the websites visited by web surfers.

The European Commission is also making cyberdefense a central issue and ready to intensify effort on Enisa and Europol to combating the cyber menace and at the same time enact law that will incriminate hackers and zombie computers.

## Food, Environment and Energy Issue

The growing price of non-renewable energy is increasingly becoming unaffordable for both governments and the people; therefore the need for alternative renewable energy source has also grown. Italy is said to be one of the European countries benefiting from renewable energy plants, making life comfortable even to the ordinary masses.

## Geostrategic Issues

Former Polish prime minister and leader of Poland's main opposition party, Jaroslaw Kaczynski is warning EU of Russia's neo-imperial influence and cautioned that bilateral business interests with Russia should not be at expense of EU's values and standards.

Scott Stewart notes in his article *Terror Threats and Alerts in France* published in Stratfor that France unlike other big European nations is yet to experience any form of devastating terrorist attack. French intelligence though puts the country on a red alert. The bottom-line argument is that the scar of French colonial policies is still irritating and recent policies towards French Muslims aggravates the tension, thus makes France a potential victim of huge terror attack.

## Southeast Europe

### Political Issues

Albania political stalemate is casting shadow of doubt on the country's political maturity and ability to move ahead in its EU integration and its commitments to fulfill the Millennium Challenge Corporation Threshold Agreement Programme. The political impasses have become hurdles for legislation processes.

The ethnic politics in Bosnia is gaining strength and has captured the attention of the international community urging the Bosnian leaders to forget the past, turn a new leaf and work towards achieving the EU goal.

It was a political landslide as famous Kosovo President Fatmir Sejdiu resigned after accusation that he had violated the constitution for holding simultaneously two seats as leader of his party and president of the country. Meanwhile, all parties have agreed to have an early election although a date has not been chosen. NATO forces working in Kosovo are counting their successes yet wary of underestimating the tasks yet uncompleted.

Macedonian Lustration Commission has refuted and reconfirmed that Constitutional Court President Trendafil Ivanovski collaborated with the communist-era secret police and can no longer occupy his post.

In Serbia, the government has decided to end mandatory military service, effective January 1st 2011. As of then, military service will be only for those who volunteer to join the army.

#### Economic Issues

The austerity measure across Europe is becoming a threat for governments wanting to cut public budgets. Romanian government felt the wind of protesters asking the government to retract plans to cut pension and civil services salaries.

#### Social/Humanitarian Issue

The latest protest in Bulgaria was an indication of religiosity and religious accommodation of the people as clerics and members of the public together rallied demanding for mandatory study of Orthodox Christianity, Roman Catholicism or Islam.

An independent commission reviewing school textbooks concludes that Serb students in Kosovo learn only one side of history, which does not promote peace and tolerance. The commission observes that children of Serbs are misinformed through their various studies package.

#### Food, Environment and Energy Issue

#### Geostrategic Issues

Media reported that Montenegro and Serbia have agreed on the terms of an agreement to extradite people suspected of a handful of specific crimes.

#### Oceania

#### Political Issues

The fragile coalition government in Australia was finally sworn in after a tight struggle from a strong opposition. Meanwhile, Ed Husic sets a landmark as the first Muslim sworn in on the Quran in the newly constituted Australian parliament. His parliament role has given a boost to the 1.7% Muslim community of Australian 22 million populations.

Australia's former Prime Minister John Howard decries against Anglosphere acceptance of multiculturalism. Speaking before the Heritage Foundation, Howard urges the English speaking countries to champion deeply their values and achievements and shun diluting their cultural values.

#### Economic Issues

Although the effect of the global financial meltdown was not profound as in other rich economies, yet the Australian dollar is surging and causing huge cry among tourists visiting the country. The surge explains the expensive state of the economy.

Social/Humanitarian Issue

Food, Environment and Energy Issue

Geostrategic Issues

Latin America

Political Issues

Brazilian polls are not suggesting otherwise but still concurring to the frontline of Ms Rousseff as the leading presidential candidate even though the air is still filled with accusation of nepotism.

Chilean President Pinera lauded the achievement of his administration as the country's poverty level is on the decline and aimed to increasing employment opportunities to Chileans.

For Colombia, combating the danger of FARC is a strategic matter, the government of President Santos believes in negotiation with FARC if only the latter will renounce its rebellion, although the killing of a FARC leader recently raised public rating of Santos.

President Hugo Chavez employed the internet effectively before the recent election, which was praised as a peaceful election even by the EU. Chavez's party though got majority votes but lacks the third majority needed in the elections of 2012 to run the government. Chavez's United Socialist Party of Venezuela (PSUV) faced serious challenge from the oppositions.

Economic Issues

The heavyweight of the Brazilian economy both within and outside the region is beyond exaggeration; hence for Brazil cooperating with Cuba is expected to strengthen regional economy

Having won the elections, Venezuelans will want Chavez to turn around the economy which has not been doing well in recent times.

Social/Humanitarian Issue

The menace of Mexican drug lords and violence related to this cartel is not threatening ordinary Mexicans alone but equally affecting political leaders as many have been killed in recent times.

## Food, Environment and Energy Issue

The Brazilian government is hopeful in increasing the country's ethanol production from 26 billion liters of ethanol in 2010 to 64 billion ethanol by 2019. Brazil and the United States are the top countries producing this alternative energy. Meanwhile the country also intends to stabilize its oil production.

If President Hugo Chavez supports Iran for its nuclear programme, then it will be less a surprise to see Chavez announcing that Venezuela is also planning similar programme not for weapon but to generate energy for its economy.

## Geostrategic Issues

For few in the region it is believed to be another form of European colonialism and should be resisted at all cost. The Argentine government is flexing all muscles to challenge Britain over the long disputed Falkland Island and regional leaders are throwing their support for Argentine president Cristina Kirchner.

Chilean President Pinera rebinds Chile-California ties as both signed agreements on education, environment and business cooperation. This part of the United States has enjoyed a long and sound relation with Chile.

Colombia-Venezuela relation is opening a new page, characterized by cooperation in different sectors and cordial neighbourhood. Colombian President Santos confirmed this during a interview with Washington Post.

## Russia and its Neighbour

### Political Issues

Russia political parties have commenced campaigning for the next general election though certain political oppositions are facing government repression. Russian authority was disturbed at Belarusian president interference in Russian domestic politics and using Russia to score political goal. Moscow could not also swallow easily the defeat of a pro-Russian Latvian presidential candidate in recent concluded election.

Polish leaders are still deliberating on Pole-US military cooperation which could include the deployment of U.S forces in Poland. It is Poland's sovereign right to enter pact with any country but the Russian factor is always there.

The Czech government is insisting not to discontinue with the plan to launch an e-Government projects despite the dramatic budget cuts. There has been opposition to the project as it will be adding to public spending.

As Hungary takes the EU rotational presidency by January 2011, it hopes to accelerate Western Balkan EU integration, push more for economic recovery and job creation and to focus on Roma integration.

Ukrainian Constitutional Court finally canceled 2004 constitutional reform and reestablishes the presidential-parliamentary Republic in accordance with the initial version of the Constitution adopted in 1996. The initial version of 1996 Constitution was approved after 5 years of a vibrant nation-wide discussion.

Latvian Prime Minister Valdis Dombrovskis' Vienotiba (Unity) bloc has won 30.34% defeating the opposition Saskaņas Centrs (Harmony Center) party, which represents the Russian-speaking majority.

### Economic Issues

According to the survey of Cushman & Wakefield, nearly 10 percent of the 500 European companies surveyed said they expect to bring their operations to Moscow soon, therefore bringing Moscow closer to London, Paris and Frankfurt as Europe business hubs. Meanwhile, foreign investors will now have to get government permission for a purchase of five or more percent in Russia's financial infrastructure.

The Polish government celebrates the nation's economic growth and making serious plans to integrate the economy with the Eurozone. The new pro-business government hopes to accelerate the growth.

The Czech koruna is reported to have made remarkable gains in the last quarter, signaling the boost of the economy. Yet the European Commission is referring Czech to the European Court of Justice for failing to upgrade its dairy product legislation, believe e not meeting the requirements set out in EU legislation

Meanwhile, in Slovakia, ambitious fiscal consolidation plan, which includes hikes in value-added and excise taxes and cuts in government spending, continues to be pursued by the centre-right Slovak cabinet.

According to the central bank of Ukraine, the increase in government debt has contributed to the nation's total foreign debt from \$102.8 billion on April 1 to \$104.5 billion as of July 1.

Lithuanians joined the tens of thousands of workers that marched through the streets of Europe, decrying the loss of jobs and benefits they fear will come with stinging austerity measures seeking to contain government debt.

### Social/Humanitarian Issue

President Dmitry Medvedev has set Russia's security agencies the task of creating a reliable modern system for confidential mobile communications and replacing outdated system with the digital technology.

A 20 years archaeological excavation has proved the existence of unknown settlements but believe to be originally built by Aryan race about 4,000 years ago in Russia.

Russia has been treading the path of reducing cigarette smoke in the public since 2007 when tobacco ads on outdoor billboards were banned; further ban is expected to take effect by 2012.

For many Poles, the appointment of Professor Sir Leszek Borysiewicz as the new vice-chancellor of the University of Cambridge is nothing more than a good news.

#### Food, Environment and Energy Issue

The ban on Russian grains could be lifted if harvest after next year is fine; this was the contention of the Russian President Dmitry Medvedev, whose country plays significant role in global grains production.

Due to its reserve, Ukraine will be slashing its gas purchase from Russia, while the latter plans to hike the price of gas for Belarus and has not been able to reach a conclusive gas with China, whose interest in Russia's energy sector has increased.

#### Geostrategic Issues

Russia is showing commitment in maintaining stronger ties with neighbours as well as countries of the BRIC. The recent programme of cooperation for 2011-2016 between Russia and Ukraine insinuates years of mutual support to come.

The Central Asian Cooperation Organization (CACO) a grouping of Russia, Kazakhstan, Uzbekistan, Tajikistan and Kyrgyzstan will merge with the Eurasian Economic Community (EURASEC), a body seeking to establish a single economic zone comprising Russia, Kazakhstan, Kyrgyzstan Tajikistan, and Belarus.

The fall of the Berlin wall was one of the classical representations of the end of communism and totalitarian rule in the west. On the occasion of Unity Day celebration commemorating the reunification of East and West Germany, Russian President Medvedev sent a felicity note to Chancellor Merkel.

The visit of Russian president to South Kuril Islands, a disputed island between Moscow and Tokyo might further exacerbate tension between the two countries. Meanwhile, despite Russia supporting another round of UNSC sanctions, Moscow still holds that diplomacy is wise in resolving Iran's nuclear impasses.

In an attempt to strengthen its NATO credential, Slovak government wants its troop out of Kosovo but to be deployed to Afghanistan, even though the war in Afghanistan is increasingly becoming unpopular.