

News Wrap

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The year 2006 concluded with impasses on numerous fronts, Sunni guerillas and Shia militias continue to fight in Iraq. The Republicans in USA could win the White House in 2008, only if the Americans succeed in leaving Iraq in a dignified manner. A decent American exit could widen American influence in the Middle East. In spite of the recent meeting in Amman (Jordan), between Iraq's Prime Minister Nuri-al-Maliki and President George Bush, a united non-sectarian Iraqi state and an end to the continuous violence is far from being achieved. Muqtada al-Sadr, the radical Shia cleric has scarcely been successful in controlling the Shia sectarian gangs and his Mahdi Army.

Can Iran and Syria offer solutions to Iraq? Shia militias in Iraq obtain support from Iran. Iran's President Mahmoud Ahmadinejad wants USA to leave Iraq. From Iran arms flow to Hizbullah in Palestine and Lebanon in their war on Israel. Palestinian factions, including Hamas are being funded by Iran. Iran supports Syrian pretence in Lebanon. Besides, in defiance of UN Security Council strictures, Iran has no intentions of suspending its nuclear Programme. With the treasury in Iran full of oil money, and the increasing dependency of Europe on oil, Iran could cope with any sanctions. But Iran's threats may scare away foreign investment in Iran. Syria continues to smart from the ignominious withdrawal of Syrian troops from Lebanon, and is hostile to USA.

There has been no visible progress in Israel's Prime Minister Ehud Olmert's plans to withdraw from parts of the West Bank. Trying to release a captured soldier and stop rocket fire, Israel has assaulted Gaza, killing hundreds of Gazans, including children and bystanders. The Palestinian President Mahmoud Abbas has failed to build a unity government for the Palestine Authority, between his ousted Fatah party and the ruling Hamas. The ceasefire between Israel and Hizbullah has to be extended to the West Bank, and arms smuggling through tunnels under Gaza's border with Egypt, stopped.

Conflict looms in Lebanon, with the polarization of factions of Shias and their Christian allies, and the Lebanon Prime Minister Fouad Siniora's Sunni Muslims, Druze and anti-Syrian Christians. The Hizbullah has been effective as a leader of the resistance to the West.

The northern government in Sudan (Khartoum) has been trying to expel or kill the African pastoral tribes in Darfur, since 2003, when the rebel groups started their own military campaign against the Islamist north. The African tribes are mostly Muslim, even then, two million people have been displaced, and more than 300,000 people killed. The intense fighting in Darfur continues, as there are debates whether a UN force should supervise the region. But with a GDP of 13% annually, Sudan is one of the fastest growing economies in Africa.

The Justice Sachar Committee Report on the Muslims in India points to the widening gap between Muslims and other religious groups, just as India's economy is growing fast. The publication of the report has been at an opportune time, as state elections are due in Uttar Pradesh in the next few months, and where one fifth of Indian Muslims

live. Literacy rates for Muslim girls and poverty rates among urban Muslims have declined. Muslims reside in old parts of cities, and not in rapidly growing new suburbs, where wealth is created. Muslims fail to get jobs with the government, for poor schooling.

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Economic power is steadily shifting from the Atlantic world to Asia, with the rapidly growing economies of China, Japan and India. US dominance is declining. The US dollar has fallen to a twenty month low of \$ 1.32 against the euro. In USA, the stock of unsold new property has been rising, and consumer confidence and durable goods orders have been falling. There are concerns that central banks in China and other emerging economies, which have been storing dollars over the years, may sell them. The gradual slide in the greenback could benefit the world economy. Global current account imbalances may be reduced. Shifting production into America's tradeable sector, could cushion the US economy, as the housing sales go bust. The Fed may start cutting interest rates soon, to tackle a predicted recession by mid-2007.

The Gross National Product growth, for the current year in India, should be 7%. UN's Human Development Index, comprising life expectancy, education and living standards has also been rising for India. But reduction in child mortality has retarded. Whereas, with a lower growth rate, Bangladesh has reduced child mortality rates by 3.9% a year, since 1990.

In India, 50% of rural households do not have electricity, even those with electricity suffer power cuts of about 13 hours a day. Thirteen states have village road connectivity of 85%; while fourteen states have village road connectivity of less than 60%. Amongst rural people, not more than 20% have access to toilets. Villagers do not have any quality assurance about drinking water. Only 10% of rural households have telephones. ~~zz~~