

News Wrap

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Chaos, religious extremism and violence highlight the dangers of democracy in Iraq. Southern Iraq is controlled by fanatical religious parties, militias and street gangs, who impose curtailment of people's rights and liberties, drawing intrivation from Iran. Taliban-style orthodoxy prevails in central, Sunni Iraq. Ethnic eleanting sweeps mixed population areas and cities, which has led to thousands of internal refugees.

No doubt Saddam had brutally ruled Iraq for three decades, before being removed by the US-led invasion of 2003. The dilemma whether the tiral was fair and just will continue, but the victims of his brutal regime were also denied justice. The use of the death penalty will be debated; and a martyr has been created.

Given the scenario, the growth of the Iraq economy should cause surprise. Global Insight puts GDP growth at 17% for 2005, and projects 13% for 2006. The World Bank estimates 4% for 2006. In 2003, there were 8000 registered companies, whereas in 2006, one sees 34,000 registered companies. Improved security in the southern oil fields has fetched \$41 billion in 2006, for national oil revenues and foreign grants. Yet unemployment is between 30% to 50%. Former state industries are decrepit. Operating budgets of companies allot a third of their budgets to security. Since 2003, salaries have risen by more than 100%, and income taxes reduced from 45% to 15%. Still Iraq needs more hospitals, highways and power generating plants. There is still no functioning banking system. Iraq's debt relief deal with IMF, requires Iraq to terminate subsidies, and open up the gas-import market. Whether they can initiate all these 'reforms' in post-Saddam Iraq otherwise ethnically divided is anybody's guess.

The Somalia Islamic Courts Council has occupied Somalia since June '06. The interim government was confined to the provincial city of Baidoa, as the Islamists imposed striet shariat law. Somalia did experience a respite from sixteen years of lawlessness and terror, at the hands of marauding warlords, who drove out UN peacekeepers in 1993. Oil rich Horn of Africa overlooks the transit of oil tankers and war ships, through the Red Sea. It is also close to Saudi Arabia. During December '06, about 15,000 Ethiopian troops, trained and supported by USA, attacked Somalia, embroiling in an illegal war of aggression, against the Union of Islamic Courts, which controls southern Somalia. Aided by Ethiopian troops, government soldiers have seized Mogadishu, and much of the territory, under the control of the Somalia Islamic Courts Council. While the Islamists have been swiftly removed from power, an insurgency by Somalis, many of whom live in Kenya and Ethiopia cannot be ruled out.

In Cambodia, political interference has ensured that the rules of procedure are not yet framed, for the UN-backed tribunal, set up to try Khmers Rouges leaders, for their alleged "atrocities". Besides the interpretations on armed struggles against social injustice and imperialism, more attention has apparently been paid to international law, and less to Cambodian law, in framing the draft rules for the 113 articles. The Khmers Rouges rule ended around 1978, leaving about two million people dead. Beginning with Pol Pot, the top leaders are no more; and other activists are departing steadily. The

Extraordinary Chambers in the Courts of Cambodia (ECCC) is firmly based in national law, and has a majority of national judges, compared to Tribunals in former Yugoslavia, Rwanda, Sierra Leone and East Timor. But Cambodian law is reportedly weak on the crimes the Tribunal is investigating.

Spread over the last three years, India's GDP growth has averaged 8% per annum. Estimates for 2006-07, predict a growth of 8.5% to 9%. The sensex is up 4000 points during 2006. The energy of private initiatives is in abundance with decontrol. Expansionary fiscal and monetary policies of the Reserve Bank and the government has also led to economic growth. Rising growth has been accompanied with rising inflation. Inflation has risen from less than 3% during 2003, to 7% during 2006, based on the consumer price index. The government has not cut spending, nor have interest rates been raised sufficiently. Amidst growing fears on inflation, the government has recently increased the cash reserve ratio (CRR).

Land for the Tata small car factory, being bought by the CPM-led left front government of West Bengal at Singur, has been acquired from farmers who own not more than one to two acres of land. The size of the individual holdings do not generate livelihood above subsistence.

A minimum of 20 acres of land is considered optimum holdings, for a financially viable farm. Wages of domestic servants are higher in Delhi and Mumbai, compared to farm earnings. Land ceiling laws restrict the size of big farms, and maintain the prices of farm land artificially low. However, there are no land ceiling laws for major corporations to purchase vast areas of land, and fabricate factories. According to the 'status report' of the West Bengal Government, the majority of the landowners have been compensated for the land acquired at Singur. The problem is that the land acquisition act does not have any provision for the collector/district magistrate, to obtain individual consent of the land owners.

Deprived of the livelihood, the landless labourers will be the worst hit. They also lack the basic skills to find employment in a small car factory. ❧

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