NEWS WRAP

AGD

Turkey's prime minister, Recep Tayyip Erdogan and his Justice and Development Party (AKP) have been giving pious Turks, a political voice, and also ushering an increased faith in democracy. But on 05 June 08, Turkey's constitutional court squashed a law, by voting 9-2, to allow young women to wear the Islamic style head scarf, at universities. The chief prosecutor has initiated a case, to ban the AKP, and to bar from parliament and politics, 71 named politicians, including Mr Erdogan and president Abdullah Gul, on obscure charges of imposing 'Sharia' law. The AKP represents the rising class of pious Turks. Turkey's generals and judges belong to an elite that is disinclined to share wealth and social access with the conservative middle class and pious population. Mr Erdogan had made a tactical mistake by passing the head scarf law, instead of including it in a package of broader reforms, to be incorporated in a new constitution. AKP's support in the Kurdish south-east has declined, ever since Mr Erdogan, under army pressure, authorized cross border attacks, on PKK rebels, in Northern Iraq. There are risks of radical groups under radical Islam, seeking their rights, through nonlegal channels.

The AKP has originated from two Islamist parties, including the Virtue Party, which were previously banned for anti-secularism. In comparison to only three parties banned in western Europe since 1950, around 24 parties, either pro-Kurdish or pro-Islamic, have been banned in Turkey since 1961. On 23 cases in Turkey, the European Court of Human Rights has main-tianed the view that the ban violates the charter of human rights.

н н

According to the World Bank and the IMF, domestic demand in Russia is increasing at a faster pace than growth. Real wages in Russia are increasing faster than productivity, with industry operating at near full capacity. Inflation in Russia has doubled over the past one year, and stands at 15%. Inflation has been accelerated by imported food inflation, rapid money supply growth, and cash investments in state corporations. Public spending has been higher due to recent elections, but this has benefited the bureaucrats, rather than pensioners. At the recent St Petersburg economic forum, Igor Shuvalov, deputy prime minister, emphasized "the new course", to include developing democratic institutions, modernizing education, and improving the health of its citizens. Russia was to become a free and innovative country, where the state would meddle less in the economy. The "New Course" envisages "the protection of property rights, is the first and most important task of the state. The Russian economic forum accepted that a centralized and corrupt system could not diversity the economy and sustain growth. At the same time there are fears that people who had accumulated wealth since 2000 through unfair methods, needed to legitimise and protect their property. The system is being upgraded, without major reforms. There are power struggles over control of assets, of hundreds of firms, in which the state has a stake. Mikhail Gorbachev's "perestroika" reforms of the economy and the Communist Party were assisted by declining oil prices. President Dmitry Medvedev is functioning in a scenario of soaring oil prices.

H H H

State governments in India have turned hesitant in acquiring large tracts of land for industry, or even facilitating private investors in acquiring land, following the controversies generated by industrial projects in Singrur and Nandigram, located in West Bengal. Industry developers are being advised by government agencies, to deal directly with the owners of land. There are inordinate delays in the completion and commissioning of mega projects, except in states, which have built up vast land banks, extended over a number of years. Land acquisition in Maharashtra, Andhra Pradesh, Tamil Nadu, Rajasthan, Karnataka and West Bengal are faced with problems, even though these states offer special attractions. Investors and industry are keen to negotiate with government for new industrial units, and new land for industry. As a consequence to the controvesies over the special economic zones (SEZ), state governments are directing investors to deal directly with private parties, for land acquisition.

Tamil Nadu and Andhra Pradesh have obtained approval for over 50 SEZs. Specific industries like information technology (IT) have sprung up in such areas. State governments have taken initiatives, where the quantum of land acquisition does not exceed 500 acres the government industrial development agencies have acquired vast tracts of land, each area of a comparatively smaller size, in different regions. Land acquisitions turn more complicated, when land requirements for multi-product SEZs could be 1000 or 2000 acres, or even higher. Foreign developers have been floating ventures for large SEZs in different states. In Orissa, the promised investment of about Rs 5 lac crores, has remained on paper, in the form of memos of understanding and agreements, over the past three or four years. Investors have been drawn to Orissa, as the cost of living is far lower, compared to states like Tamil Nadu, West Bengal or Maharashtra. Protests over land acquisition and objections on environmental issues have delayed major projects, like POSCO, Tata Steel, Mittals and Vedanta group investments, in Orissa by over four years. With frequent Assembly elections and the impending Lok Sabha elections, government agencies search for transparent and flexible land acquisition deals. Industry bodies encounter problems in acquiring small parcels of land, with dozens of owners. A political consensus would require a land compensation package to include land for land, jobs, equity share in the project, profits and royalty. Land remains a costly and critical input for installing any industry.

H H H

Indulging in the phenomenon "female voticide", certain Indian states and regions are tampering with electoral rolls. Female voters are being gradually removed from Assembly segements and Parliament segments by not tampering with the total number of voters. They are being replaced by false male voters, as it is difficult to impersonate others for female voters. The Election Commission is now extra-polating the data of electoral rolls with that of the census, and frequently with NSS data, to detect cases of fraud. The gender bias is particularly severe in Uttar Pradesh even for reserved seats like Shahganj. Also dead voters are not being weeded out from voter lists pemitting impersona-tors to assume the

identity of the dead. Data on the number of voters registered in a single household is also inflated. $\Box\Box\Box$