

If it is true that Israeli and US leaders have agreed not to deal with a new Palestinian government that does not denounce violence, recognize Israel and accept previous peace agreements, then three-way summit does not stand much chance of achieving anything. There is further gloom if Mahmoud Abbas' take-it-or-leave-it proposition is factored in-- that the world will have to deal with a new Hamas-Fatah coalition even if its platform falls short of international demands such as the recognition of Israel. On the Israeli side, there is also concern that once formed, a Palestinian national unity government will speak in an internationally acceptable language of moderation and that will prompt the international community to pressure Tel Aviv to be more forthcoming in peace negotiations.

The US may be withholding final judgment on

whether a Palestinian national unity government constitutes an acceptance, either directly or by implication, of Israel and America's conditions. All the signs from Washington, however, are that the US is unimpressed. Secretary of State Condoleezza Rice is demanding an explicit statement of recognition rather than the Hamas

## Unity Over Diplomacy

decision to respect past Palestinian peace deals which do seem to imply recognition of Israel without actually saying so. So what was supposed to be a summit meant to restart peace talks after more than six years of fighting, discuss the borders of a future Palestinian state, the fate of Beit-ul-Moqaddas, and the right of return of Palestinian refugees, may now be downgraded to one

which Abbas spends his time trying to defend Makkah deal and persuade the US and Israel that he has not sold out to Hamas.

Abbas concedes he can do no more on the issue of moderating Hamas. Hamas' willingness to respect and honor previous agreements, replacing its statements that

the accords were treacherous, represents a significant evolution in the movement's political posture. It is thus becoming more political and less ideological. However, Hamas will not hasten to recognize Israel, especially as long as Israel shows no willingness to recognize itself as an occupier of Palestinian land.

The unity government may not end Western economic

sanctions but it is being formed in an attempt to stop bloodshed among Palestinians. The Hamas-Fatah mini-war does not make sense and had become a bitter deviation from a norm of unity and national cohesion. Not only are both victims of Israeli occupation and atrocities, but they are also each supposed to be fighting the occupation, not each other.

Washington deems that the Makkah accord brings Abbas closer to Hamas instead of bringing Hamas closer to Abbas. That is one way of looking at it; the other is that Fatah and Hamas have chosen internal unity over the potential for diplomatic progress and the removal of sanctions. With so many deaths brought about by inter-Palestinian battles, few, save the US and Israel, would disagree with the choice.

ARABNEWS.COM

## Afghan Women in Crisis



Afghan women wearing the traditional burqa wait to cross a street in the city of Mazar-e-Sharif, Oct. 3.

Row upon row of saplings stand in the sun in the capital of Afghanistan's drought-hit Zabul province where war and poverty have left ancient underground irrigation channels dry and the hills bare.

These young plants have been weeded and watered and brought to life in this tough terrain by some of the poorest women of Qalat who are reaching for more in a harsh world--at risk to their personal safety.

Almonds and apricots, cedar and cypress, pine and pistachio: a lot rides on these 203,720 saplings.

The 90 women who raise them are paid with 61 kilograms (134 pounds) of oil, wheat, pulses and salt a month as a part of a "food for work" programme on which many Qalat families depend.

Their labour also earns them lessons in reading and writing, nutrition and health care--for some the first schooling in their lives.

When the saplings are ready for planting, half will go to adopt-a-tree and other projects to re-green this barren-looking land, perhaps helping to re-establish the almond orchards that are the pride of Zabul.

The rest will go to the

women to seed small businesses selling the trees or their harvest, or just to provide their families with fruit and nuts.

Inside a new building under the nursery's scraggly pines, row upon row of women sit on the floor, facing a teacher.

Many have pulled their blue burqas back over their faces because there are visitors. Hands and feet are red with henna; children fidget as their mothers recite phrases written on the board.

It has been a struggle to get these women here. Zabul, like all of southern Afghanistan, is deeply conservative and influenced by the extremist Taliban religious movement, whose insurgency keeps the nation unstable.

"Women of child-bearing age are not allowed to go outside the home, only very old women and widows can have some activity," says the province's top women's affairs official, Gulnar Rashidi.

"If men are willing to let women have social activity, other men criticise them," Rashidi says.

When the nursery was set up in June 2005, anonymous letters were sent to mosques warning "if they

let women go to the centre, we will burn their houses, we will not let them live in our villages," Rashidi says.

Rashidi has also been threatened: she has bodyguards and her husband has implored her to not travel with their two children. Her counterpart in Kandahar province was assassinated in September.

There was also an attempt to allow only men to take part in the nursery. Rashidi fought hard--and won.

But even convincing women of the benefits of literacy is challenging in a province where the first girls' school is still at the planning stage.

"The women of Zabul are completely illiterate--the educated ones come from other provinces," says Rashidi, a medical doctor from the capital, Kabul.

"The women don't know the uses and benefits of studying because they couldn't know." The lure was the chance of a job in an office to earn a bit of cash, she says.

Project coordinator Atiqullah Baranzai points to the road outside the compound where a suicide blast about four months ago shattered newly installed windows and doors.

"The women are very

brave," he says, blaming the attack on the Taliban.

"Sometimes we get threats in the mosque or from men on motorbikes who ride past. We feel worried. If the door opens, we worry," says Nasreen, who wears a large black shawl.

Nasreen supervises 80 home-based nurseries run by women who cannot leave their houses because they must care for their children--or because their husbands will not allow them.

"People warn me, they threaten me, but I still come. Everybody knows the problems but they are coming to earn something and have a better future," she says.

But 100 women have dropped out because of the insecurity.

There are other problems: water is in short supply because traditional underground irrigation systems fell into ruin during the past wars and there is little rain or snow to feed them. New wells have not been completed.

And as the project--part of the UN-backed Green Afghanistan Initiative (GAIN)--comes into fruition with the first trees planted next month, its funding dries up in June.

AFP.COM

AFP.COM

## China Stock Market Bubble

Before closing for the week-long Chinese New Year holiday, the composite index for the Shanghai Stock Exchange briefly broke through the 3,000-point mark for the first time in history. On February 16, the index closed slightly below the psychologically important mark, but the unprecedented rise in Shanghai's exchange is increasingly becoming a cause for concern for the Chinese government.

After rising 130 percent in 2006, the Chinese stock market has continued its bull run into 2007 (it is up more than 12 percent since the start of January), causing Chinese officials to warn that the market is overheating. Cheng Siwei, vice chairman of the Standing Committee of the National People's Congress, told the Financial Times in a January 30 interview, "There is a bubble going on. Investors should be concerned about the risks." When other officials supported his warning, the Shanghai market slumped 11 percent before beginning its recovery on February 6.

Since then, the Shanghai and Shenzhen markets have surpassed previous record highs and are expected to continue the bull run when they reopen on February 26.

One reason for China's current stock market boom is that it follows a five-year slump from 2001. Also, following a strong performance last year, corporate profits should be up by 20 percent this year, according to Jing Ulrich, chairman of China equities at JP Morgan, in an interview with The Economist.

However, other factors imply that the current run has less to do with the underlying profitability of Chinese companies and more to do with an increase in the demand among mainland Chinese for equities. Record numbers of individual brokerage accounts have been opened in recent months, reaching 80 million accounts in January, a ten percent increase over the previous year. Retail investors control 60 percent of the shares on the

Shanghai market, a level that also appears to be increasing.

The reasons for the increase in retail investing are complex: the basic components, however, are easily identifiable. China's middle class is expanding rapidly, but the state continues to provide negligible health and pension benefits for the elderly, which leads to high savings rates within the middle class. For various reasons, Chinese interest rates remain low, and will likely remain low for the near term. Thus, Chinese investors are encouraged to seek higher rates outside of traditional savings accounts and have easy access to credit. Also, there are limitations on foreign investments, making it difficult for individual investors to enter stock markets outside of China. As China's markets expanded in 2006, more individuals pushed their savings into stocks, causing the current cycle.

The sustainability of the bull market is questionable, and it will almost certainly have to retreat in the coming months. Siwei and others warn that up to 70 percent of the listed companies on the Chinese exchanges are worthless and should be delisted. Among companies listed in both Shanghai and Hong Kong, the spread in valuations has increased widely since 2005. The Price/Earnings (P/E) ratio for companies listed on the Hong Kong market is close to 18, but the P/E ratio for the same companies in Shanghai is 33. A similar gap between the markets preceded the 2001 collapse of the Shanghai market.

Beijing is wary of the expanding equity bubble for a number of reasons, but mainly it is concerned that a sharp deflation could cause a backlash from middle class retail investors. Political protests are on the rise in the inland provinces, but the booming economies on the coast have been more stable. A large-scale backlash from China's investing class could threaten political stability in China's most prosperous regions.

PINR.COM

## Why the US Must Leave Iraq

The U.S. military occupation of Iraq has now lasted longer than U.S. involvement in World War II. Yet there is no end in sight to the mission.

Staying in Iraq is a fatally flawed policy that has already cost more than 3,000 American lives and consumed more than \$350 billion. The security situation in that country grows increasingly chaotic and bloody as evidence mounts that Iraq has descended into a sectarian civil war between Sunnis and Shiites. Approximately 120 Iraqis per day are perishing in

political violence. That bloodshed is occurring in a country of barely 26 million people. A comparable rate of carnage in the United States would produce more than 1,400 fatalities per day.

That reality is a far cry from the optimistic pronouncements the administration and its supporters made when the war began. We were supposed to be able to draw down the number of our troops to no more than 60,000 before the end of 2003, and Iraqi oil revenues were to pay for the reconstruction of the country.

It is time to admit that the

Iraq mission has failed and cut our losses. The notion that Iraq would become a stable, united and be the model for a new Middle East was always an illusion. We should not ask more Americans to die for that illusion.

Withdrawal will not be without cost. We can minimize that damage by refocusing our efforts on al-Qaeda in Afghanistan and elsewhere, but there is no way to eliminate the damage. Even superpowers have to pay a price for wrongheaded ventures.

Whatever price we pay for withdrawing from Iraq, however, must be

measured against the probable cost in blood and treasure if we stay. That cost is already excessive. We are losing soldiers at the rate of more than 800 per year, and the financial meter is running at some \$8 billion per month. With President Bush's announcement of a "surge" of 21,500 additional troops, the pace of both will increase.

Worst of all, there is no reasonable prospect of success even if we pay the additional cost in blood and treasure. We need an exit strategy that is measured in months, not years.

CATO.ORG

## Relationship Built on Sand

Singapore's aggressive regional investment strategy has already taken bilateral relations with Thailand to an all-time low, but a rising tide of economic nationalism and unresolved extradition issues with neighboring Indonesia potentially represents a more crucial test for the island state's economic diplomacy.

The Indonesian navy seized and later released three vessels flying Singaporean flags in waters separating Singapore from Indonesia's nearby Riau Islands. After that, eight warships from Indonesia's Western Fleet continue to patrol the waters to enforce a recent government ban on sand exports to Singapore.

Controversy over Singapore's land-reclamation projects, which entail huge imports of foreign sand and soil, represent the latest spat in a historically prickly bilateral relationship-one that is coming under increasing strain that threatens Singapore's Indonesia-based investments.

Former Indonesian president B.J. Habibie famously referred to Singapore as that "unfriendly little red dot" built from Indonesian sand

and migrant Indonesian laborers. Such sentiments are long-standing, but Singapore's sandbagging over Jakarta's request for a bilateral extradition treaty has kept relations on a high boil for the past decade.

The two sides have been negotiating the issue on and off for more than three decades, although the issue became particularly heated after the 1997-98 Asian financial crisis, when a number of ethnic-Chinese Indonesian businessmen absconded with huge amounts of cash they allegedly illegally deposited in Singaporean bank accounts.

In Singapore's drive to position itself as a regional financial center, it maintains strict banking-secrecy laws, earning it the reputation as the "Switzerland of Asia". Officials claim they have put enough safeguards in place to prevent the island state from becoming a money-laundering center. However, until recently Singapore conspicuously refused to include any economic crimes in the draft of a proposed extradition treaty between the two countries.

News suggests the two sides are moving closer to a

draft agreement that would potentially include extradition for certain still-undefined economic crimes. However, a final agreement is still likely a long way off because the two countries agreed in October 2005 that any extradition treaty must be linked to a defense-cooperation agreement, of which negotiations have barely begun.

As the sand ban and other bilateral tensions mount, Temasek Holdings, Singapore's state-linked investment arm, is starting to stir nationalistic sentiments through its growing list of Indonesia-based acquisitions. Temasek now holds significant stakes in Indonesia's biggest mobile-telecommunication operators, PT Telekomunikasi Selular (Telkomsel) and PT Indosat--controlling stakes that are now under the scrutiny of the government's anti-monopoly agency.

Legislators say this has made international Internet network tariffs in Indonesia prohibitively expensive, badly stunting the country's Internet growth rate. Bakrie Telecom, part of Indonesia's top conglomerate Bakrie Brothers, controlled by the family of Indonesia's coordinating minister for welfare, Aburizal Bakrie, is allegedly behind the legislative backlash.

Bakrie Telecom currently has only a million subscribers, but the government granted the politically connected company a license to operate nationally, expanding on its original concession, which restricted it to the archipelago's main island of Java. Djardj Wibowo, a member of the parliamentary budget commission, has recently warned that foreign dominance in the national telecommunication industry could have dangerous national-security implications.

Temasek's Indosat shares. That echoes the sentiments of Thailand's nationalistic military-coup makers, who have publicly accused Singapore of eavesdropping on military officials' telephone communications satellite

Temasek obtained through its controversial US\$1.9 billion purchase of the Shin Corporation in January 2006. It's also similar to the nationalistic policies Malaysia has put in place on exporting sand and possibly limiting water supplies to the island state.

Opposition politician and popular political soothsayer Permatid Satrio Wibowo recently demanded that the government sever diplomatic relations with Singapore if it doesn't soon sign an extradition treaty. House of Representatives commission member Djoko Susilo, who is charged with overseeing security and international affairs, led angry lawmakers in a rally last year to demand a public apology and explanation from Singapore's Mentor Minister Lee Kuan Yew for comments he made insinuating Indonesia's minority Chinese community was "systematically marginalized".

Even with that growing public and parliamentary outcry, Singaporean lawmakers are still putting more fuel on the fire. Singaporean legislator Madam Ho Geok Choo asked in parliamentary session this week if actions like Indonesia's recent ban on sand exports arose from the "politics of envy". Perhaps, but the wealthy island state may soon find it has one fewer regional destination in which to invest its huge surplus of capital.

ATIMES.COM

Opinions and contents on this page do not necessarily reflect the views of IRAN DAILY.