

away, despite protests from the European Union and humanitarian officials. Most of these vessels came from Libya and Morocco. In March, Berlusconi traveled to Tripoli to mark Libyan ratification of a 2008 cooperation deal that had called for the widening of business ties between the two countries in exchange for Libya's promising to help reign in Italy-bound migrants. In June, Libyan leader Col. Muammar al-Qaddafi paid his first visit to Rome, where the two nations agreed on further measures to police immigration.

The immigration controversy was fueled by the poor performance of Italy's economy, which was in recession partly because of the global economic crisis. In September the European Commission dampened hopes of an immediate recovery by announcing that it expected a 5% drop in Italy's 2009 GDP rather than the 4.4% decrease forecast earlier in the year. The Commission could not foresee a recovery before mid-2010. The IMF's assessment was similar; it predicted a 5.1% drop in GDP in 2009, followed by a marginal 0.1% recovery in 2010. Meanwhile, on its business-confidence index for April, the Rome-based Institute for Studies and Economic Analyses recorded a level of 59.8 for Italy, the lowest for the country since the institute was founded in 1986.

Unemployment also continued to loom large. The Organisation for Economic Co-operation and Development (OECD) predicted that Italy's jobless figures would reach into the double digits if the economy failed to regain momentum. What most troubled the OECD was rising unemployment among 15- to 24-year-olds, which had increased by 5% in 2008 to 26.3%, meaning that more than a quarter of the country's youth were out of work.

Some social critics suggested that Letizia's alleged affair with Berlusconi represented the revival of a trend for young women to seek dalliances with successful men in the political, sports, and entertainment worlds as a means to escape poor job prospects. Others blamed Italian television for objectifying women.

Despite the precarious economy, Italian politics appeared all but bereft of a functional opposition. Walter Veltroni, the centre-left leader of the Democratic Party who had once been anointed as a future prime minister, resigned from his post in February after the party suffered heavy defeats in Sardinian local elections. His successor, Dario Franceschini, made little immediate impact

and was soon replaced by political veteran Pier Luigi Bersani. This turmoil in the ranks of the opposition seemed to leave Italy's fate even more squarely in the hands of Berlusconi's People of Freedom Party and its allies.

Melancholy was echoed even in the sports world, where rabid soccer fans were forced to reckon with a national team whose performances, while successful, were generally lacklustre. Fans also watched the exodus of some of the top soccer league's best players. Zlatan Ibrahimovic of Sweden, the star of Serie A titleholder Inter Milan, explained his defection to FC Barcelona of the Spanish La Liga in terms of salary and his belief that Spain offered the opportunity for more creative play. Kaká of Brazil, AC Milan's hallmark midfielder, said much the same, though more diplomatically, as he packed his bags for Real Madrid. Owners also acknowledged that they had reduced spending as a result of the poor economy, and no Italian team made it past the quarter-finals in the European championships. In Formula 1 auto racing, Italy's best-known international brand, Ferrari, was repeatedly humbled by teams with far less know-how and cash.

(CHRISTOPHER P. WINNER)

## JAMAICA



Area: 10,991 sq km (4,244 sq mi)  
Population (2009 est.): 2,702,000  
Capital: Kingston

Chief of state: Queen Elizabeth II, represented by Governors-General Kenneth Hall and, from February 26, Patrick Allen  
Head of government: Prime Minister Bruce Golding

In January 2009, Jamaica's Office of Utilities Regulation (OUR) announced that at least 600 MW of additional power would be required over the next 10 years to meet the country's growing energy needs. The Jamaica Public Service Co., an electric utility in which the government held a 20% stake, and independent power producers currently supplied about 817 MW to the national grid. The OUR hoped that at least 15% of the total power required by 2020 could be derived from renewable energy sources.

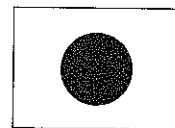
The hijacking in April of a chartered Canadian plane at Sangster international airport in the resort town of Montego Bay ended without injury after police stormed the aircraft and arrested a local man who had taken over 160 passengers and crew members hostage. The hijacker said that he wanted to be taken to Cuba. Local officials described him as a "mentally challenged" youngster.

Jamaica reaffirmed in June that it was not averse to going against the grain of international opinion by retaining the death penalty as part of the country's judicial system. In late 2008 both houses of Parliament had voted in favour of hanging as the method of execution. There were nine people on death row at midyear.

In July the Jamaican government confirmed that it had made a formal application to the IMF to borrow \$1.2 billion under a stand-by agreement. The IMF and Jamaica agreed on "key elements" of a \$1.3 billion loan in December.

(DAVID RENWICK)

## JAPAN



Area: 377,930 sq km (145,920 sq mi)

Population (2009 est.): 127,556,000

Capital: Tokyo

Symbol of state: Emperor Akihito

Head of government: Prime Ministers Taro Aso and, from September 16, Yukio Hatoyama

**Domestic Affairs.** In Japan's general election held on Aug. 30, 2009, the Liberal Democratic Party (LDP) was forced from office for only the second time in 54 years as the opposition Democratic Party of Japan (DPJ) ascended to power under the leadership of Yukio Hatoyama. (See BIOGRAPHIES.) The DPJ achieved an even greater landslide victory than political forecasters had predicted, increasing its seat total in the 480-seat lower house of the Diet (parliament) from 115 to 308 while the LDP slid from 300 seats to just 119.

Politics during 2009 revolved almost completely around the election. Taro Aso, who began the year as prime minister, had initially hoped to call an election soon after he was chosen to replace Yasuo Fukuda as LDP leader in

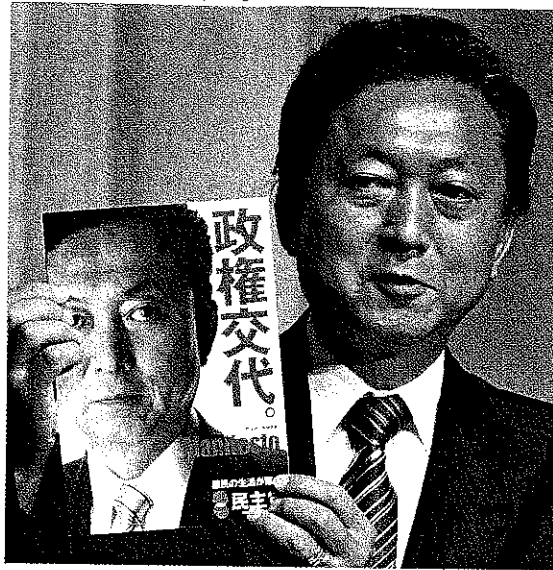
September could do so financial causing a economic shrink by the first government crisis with ages amount billion, but to reverse rate, which ward from postwar 1. 2009.

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The DPJ of the LDI

Yoshikazu Tsuno—AFP/Getty Images



On July 27, Democratic Party of Japan (DPJ) leader Yukio Hatoyama displays the cover of his party's manifesto for the upcoming general election. After leading the DPJ to a landslide victory on August 30, Hatoyama took office as Japan's prime minister in September.

September 2008. Before he could do so, however, the global financial crisis hit Japan hard, causing a sharp contraction of economic activity that saw GDP shrink by 8.4% year-on-year in the first quarter of 2009. Aso's government responded to the crisis with three stimulus packages amounting to roughly \$275 billion, but this stimulus failed to reverse the unemployment rate, which crept steadily upward from 4% in mid-2008 to a postwar high of 5.7% in July 2009.

Aso postponed plans for the election while waiting for an economic turnaround to commence. The announcement in March that prosecutors were investigating a violation of the Political Funds Control Law involving DPJ leader Ichiro Ozawa gave Aso hope that the opposition might be so distracted by the scandal that it could not take advantage of the weak economic situation. Indeed, the DPJ's approval rating dropped to 18% in April as Ozawa considered how to respond. His chief secretary, Takanori Okubo, had been arrested and then prosecuted for having directed a donor, Nishimatsu Construction, to circumvent the ban on corporate donations to individual politicians by funneling money to Ozawa's fund-raising organization via a pair of political front groups. Ozawa claimed ignorance and refused for two months to resign, even as his party continued to slip in the polls. Ozawa himself was never charged, but on May 11 he announced his resignation as party leader—just two days before he was scheduled to debate Aso in the Diet.

This turned out to be the nadir in the DPJ's poll standings; the party quickly began to recover once it had put the scandal behind it. Just five days after Ozawa's resignation, the DPJ held a leadership vote, in which Hatoyama bested Katsuya Okada. Both men had served as party leader before, with Okada presiding over the DPJ's defeat in the previous lower house election in 2005 and Hatoyama serving as leader from 1999 to 2002. Although Hatoyama was closely associated with Ozawa, he was able to prevail in part because the party's rank-and-file members realized that they still needed Ozawa, who continued to lead the DPJ's efforts to plot an election strategy.

The DPJ defeated the combined forces of the LDP and the New Komeito party

in the Tokyo assembly elections on July 12. With Tokyo voters having demonstrated that they were willing to elect little-known DPJ candidates over veteran LDP assemblymen, it was clear by July—when Aso finally announced that the general election would be held on August 30 (by law the election had to be held by September)—that the LDP would be facing an uphill battle. Projections published in late July by *Aera*, one of Japan's leading weekly news magazines, indicated that the DPJ was on track to win 247 seats—7 more than needed for a majority in the lower house.

As the election campaign got under way, however, the DPJ's appeal for a "change of government"—the slogan plastered on every campaign poster—attracted many more supporters than expected. Particularly popular were the DPJ's promises to fix the country's pension system and to increase the child allowance payment to \$276 per month for every child under the age of 13. The DPJ proposed to pay for these measures by slashing what it characterized as pork-barrel spending by the LDP on public-works projects.

The DPJ's ensuing triumph in the general election was truly historic. Although in the previous 54 years the LDP had been pushed out of office once before—for 11 months in 1993–94—that brief interlude had been brought about by a split in the party. Almost all

LDP incumbents had held onto their seats in the 1993 election. This time, voters cast out more than 150 LDP and New Komeito incumbents to hand the opposition party its commanding win.

Hatoyama officially took office on September 16. He named Okada as foreign minister and found places in his new cabinet for representatives of all of the various groups that made up the DPJ, including former Socialists who had helped form the party in 1996. He named Naoto Kan as national strategy minister, a new cabinet post in which Kan would have the responsibility for establishing policy priorities; the creation of this post was part of the DPJ's efforts to streamline a policy-making process that it argued had been inefficient under the long rule of the LDP. Ozawa was not offered a portfolio but was instead named DPJ secretary-general.

While most of the portfolios went to DPJ leaders, Hatoyama reserved two spots in his cabinet for members of the People's New Party and the Social Democratic Party—two small political parties that had joined the DPJ in a coordinated campaign to oust the LDP. Hatoyama chose to do so even though those parties' votes were not needed to pass legislation in the lower house; their votes were, however, needed in the upper house, where the two parties held nine seats. If the DPJ did well in the upper-house elections scheduled for July 2010, Hatoyama would have the leeway to form a new DPJ-only cabinet.

The new government wasted no time before taking decisive actions. Land, Infrastructure, Transport, and Tourism Minister Seiji Maehara announced on September 17 that he was suspending construction already under way on the \$5.2 billion Yamba Dam in Gunma prefecture. Because the LDP had many political backers in the construction industry and in rural areas who had long been involved in dam building, Maehara's announcement was viewed as a direct assault on the LDP's old patronage system. The ministry later suspended work on another 47 central-government-funded dams.

The government also announced that it would be trimming the third stimulus package from \$147 billion to \$115 billion, cutting back on what it considered to be wasteful spending, and signaled a

similar commitment to restraint as it turned to the fiscal 2010 budget process. Finance Minister Hirohisa Fujii indicated that he would be asking the ministries to reduce their spending requests from \$995 billion to \$963 billion and vowed to keep debt issuance at a level of \$461 billion (7.9% of GDP). The government did increase spending in certain areas. In October, Health, Labour, and Welfare Minister Akira Nagatsuma announced that he would be increasing the child-allowance budget from \$11.2 billion to \$30.2 billion, a move that would enable monthly child-allowance payments to be raised to \$141. The government maintained that it would take additional steps in 2010 to boost the allowance payments to the sum promised by the DPJ during the campaign.

**The Economy.** Of the world's major economies, Japan's was most deeply affected by the global recession. The economy took its biggest hits in the final quarter of 2008, when GDP contracted by 3.3%, and the first quarter of 2009, when it shrank by another 4%. By the second quarter of 2009, however, the economy had begun to show some signs of life, posting a positive growth figure of 0.7% that raised hopes that the country had put the worst behind it. Adding to the cautious optimism was a downtick in the unemployment rate from a record 5.7% in July to 5.5% in August.

Nevertheless, most economists continued to worry about the ability of the Japanese economy to return to robust growth. The recession was stanching with the help of massive deficit spending, which was projected to total \$521 billion in fiscal year 2009 (9% of GDP), but with Japan's public debt already totaling 170% of GDP, there was tremendous pressure on the DPJ government to move toward greater fiscal restraint. The decision to trim the third fiscal stimulus package and put a limit on bond issuance in the 2010 budget suggested that the government was responding to that pressure.

Also working against a resumption of robust growth was the steady strengthening of the yen. The currency's value went from ¥105 to the dollar for most of 2008 to ¥90 to the dollar by November 2009. With the Chinese renminbi pegged to the dollar throughout most of this period, the strengthening of the yen against the dollar meant that the Japanese currency was also strengthening against the renminbi. The combination of the economic crisis and adverse currency movements severely

weakened Japanese exports, which fell by 26% in the first quarter of 2009. Although Japan was able to recoup some of that decline in the second quarter—when exports were up 6.3%—the currency environment gave little reason to expect exports to become the engine of sustained growth for Japan.

Japanese monetary policy remained unchanged in 2009 after the Bank of Japan (BOJ) lowered the uncollateralized overnight call rate to 0.1% in late 2008 to deal with the onset of the economic crisis. Despite the signs that some growth had resumed in 2009, the BOJ decided at its October 30 meeting to keep the rate at 0.1%, stating that it would “maintain the extremely accommodative financial environment for some time by holding interest rates at their current low levels and providing ample funds sufficient to meet demand in financial markets.”

Japanese firms were also hit hard by the recession. Toyota Motor Corp. reported multibillion-dollar losses in the early part of the year, projecting at one point that it would lose \$5 billion for the year. By the third quarter, however, Toyota reported that it was earning profits again and reduced its projected losses for the year to \$2.2 billion. Improvements of this kind helped the benchmark Nikkei 225 index recover from a crisis-induced trough of just above 7,000 in early March to levels of around 10,000 between August and October.

**Foreign Affairs.** On the foreign policy front, developments continued to revolve around Japan's relations with the U.S. During the first half of the year, the Japanese adjusted to the transition in the U.S. from the administration of Pres. George W. Bush to that of newly inaugurated Pres. Barack Obama, while later in the year the U.S. was forced to accommodate the priorities of a new party in power in Japan.

As the year began, Prime Minister Taro Aso remained frustrated with the U.S.'s decision in 2008 to remove North Korea from its list of state sponsors of terrorism despite the absence of progress on a major subject of Japanese concern—the fate of Japanese citizens who had been abducted by North Korean agents during the 1970s and '80s—and continuing concerns regarding North Korea's nuclear weapons program. With Obama announcing his intention to move U.S. foreign policy away from a confrontational approach to one that placed an emphasis on engagement with countries that had been accused of human rights abuses, Japan

made efforts early in the year to ensure that the new administration understood its worries over North Korea. In February, U.S. Secretary of State Hillary Clinton made Japan her first overseas destination, and Obama hosted Aso in his first meeting with a foreign leader in Washington, D.C. During her visit Clinton met with families of the Japanese abductees and pledged to push North Korea “to be more forthcoming with information” regarding the kidnappings.

Subsequent decisions by the North Koreans to detain two American journalists in March, launch a long-range missile in April, and conduct a second nuclear test on May 25 (the first test had occurred in October 2006) led Japan and the U.S. to agree to work more closely together to pressure the North Koreans to change their behaviour. The two countries pushed for a new UN resolution following the missile launch but faced opposition to such a move from Russia and China; initially the UN Security Council issued only an official statement condemning the launch, but in the wake of the second nuclear test, the Security Council unanimously passed a resolution on June 12 that imposed additional sanctions on North Korea. In response to the earlier condemnation by the UN, North Korea in April announced its withdrawal from the six-party talks on denuclearization. In July, Japanese diplomat Yukiya Amano (see BIOGRAPHIES) was elected director general of the International Atomic Energy Agency (IAEA). Amano expressed his hope that the six-party talks would be revived and that North Korea would allow IAEA inspectors to return to the country.

The DPJ victory on August 30 posed other challenges for the U.S.-Japan alliance. The DPJ had campaigned on a platform that called for improved relations with China and a “more equal” partnership with the U.S. In its early days in office, Hatoyama's administration declared its intention to end Japan's naval refueling mission in the Indian Ocean, which involved the use of Japanese vessels to refuel U.S. ships engaged in the war in Afghanistan. The new administration also indicated its desire to renegotiate a deal on relocating a U.S. military base in Okinawa that the two governments had reached earlier in the year. When the leaders of the two countries met during Obama's visit to Japan on November 13–14, they signaled agreement on the refueling mission. Japan would indeed suspend the mission, but it would at the same time offer \$5 billion in aid to

Afghanistan dispute, so that they working references.

## JORDAN



Area: 88,777 sq km  
Population: about 2,0 million, of whom 90% are Arab  
Capital: Amman  
Head of state: Abdullah II  
Prime Minister: Nader Dahman  
President: Samir al-Rifai

The specter of a new intifada has turned to a cal scene in the wake of the January 2009 election of Hamas as the new government. The nature of the “conspiracy” people. Hamas as a war scenario to create a new Egyptian antinationalism in achieving a new era by Likud party. In an estimation was transfer of Palestinian daunting.

In May 2009, the Israeli parliament proposing a new homeland protest while the government rejected the proposal. The Jordanian government proved a success in the rights of

Afghanistan. The Okinawa base relocation dispute proved too difficult to resolve, so the two leaders announced that they would set up a "high-level working group" to reconcile their differences. (LEONARD SCHOPPA)

## JORDAN



**Area:** 88,778 sq km (34,277 sq mi)  
**Population** (2009 est.): 5,981,000 (including about 2,000,000 Palestinian refugees, most of whom hold Jordanian citizenship; excluding roughly 450,000 Iraqi refugees)

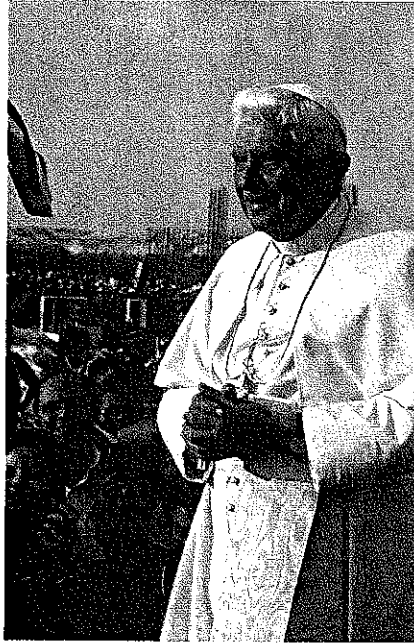
**Capital:** Amman

**Head of state and government:** King 'Abdullah II, assisted by Prime Ministers Nader Dahabi and, from December 14, Samir al-Rifai

The spectre of Jordan's becoming an alternative homeland for Palestinians from the Israeli-occupied West Bank returned to trouble the kingdom's political scene throughout 2009. In early January, amid Israel's 22-day war on Hamas militants in the Gaza Strip, King 'Abdullah II voiced concern over the future of the Palestinians and spoke of a "conspiracy" against the Palestinian people. His statements were interpreted as a warning against an earlier Israeli scenario that entailed passing administrative control of the Gaza Strip to Egypt and forcibly transferring Palestinians in the West Bank to Jordan, thus achieving a purely Jewish state. Concern over this prospect was triggered anew by the victory of the right-wing Likud party leader Benjamin Netanyahu in Israel's February elections. An estimated 60% of Jordan's population was of Palestinian origin, and a transfer of the West Bank's 2.3 million Palestinians to Jordan by force posed a daunting prospect.

In May members of the Knesset (Israeli parliament) presented a draft law proposing Jordan as the alternative homeland for Palestinians. This sparked protest demonstrations in Amman, while the Jordanian government summoned the Israeli ambassador to convey its rejection of the proposal. Tension continued as rumours circulated that the Jordanian government had approved a secret U.S. plan to rescind the rights of Palestinian refugees to return

Salah Malkawi/Getty Images



*During a visit to Jordan in May, Pope Benedict XVI prays on the bank of the Jordan River, believed to be the site where John the Baptist baptized Jesus.*

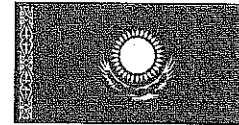
to their homeland. This coincided with the Jordanian government's adoption of a decentralization plan to divide the kingdom into three administrative regions, a plan that was associated—in the rumours—with a political scheme to create an alternative Palestinian state in Jordan. At a speech in August, King 'Abdullah denied the rumours and warned unnamed parties against their "private and suspicious agendas," emphasized Jordan's commitment to and support of Palestinian rights, and denied bowing to external pressure.

Jordan's economy continued to suffer the effects of the global financial crisis, with the budget deficit climbing to \$534.2 million, compared with the \$103.1 million budget surplus in the first eight months of 2008. Economic growth fell by half. In September Jordan signed grant agreements with the U.S. Agency for International Development (USAID), bringing U.S. economic assistance to Jordan for 2009 to \$513.5 million. Jordan likewise received substantial economic assistance from the EU. Reportedly dissatisfied with the pace of economic reforms, King 'Abdullah on November 23 dissolved the parliament midway through its term and called for new elections, and in December he replaced the country's prime minister, Nader Dahabi, with a former palace aide, Samir al-Rifai.

In May Pope Benedict XVI visited Jordan in an effort to improve ties with the Muslim world; there he was boycotted by Islamists for refusing to apologize for previously quoting a text criticizing Islam. In September Jordan announced plans to embark on an ambitious \$2 billion project to build a canal that would replenish the dwindling Dead Sea with water from the Red Sea.

(AMIRA HOWEIDY)

## KAZAKHSTAN



**Area:** 2,724,900 sq km (1,052,090 sq mi)

**Population** (2009 est.): 15,881,000

**Capital:** Astana

**Head of state and government:** President Nursultan Nazarbayev, assisted by Prime Minister Karim Masimov

As the Central Asian state whose economy was most closely integrated into the world financial system, Kazakhstan in 2009 directly experienced the negative effects of the global financial crisis. As an anti-crisis measure, in early February the national currency, the tenge, was devalued; according to Kazakh media, prices in the country immediately rose by 20%. In March, Kazakh Pres. Nursultan Nazarbayev called for acceleration of the two-year anti-crisis program adopted by the government in October 2008; the program emphasized support for the country's financial sector, including mortgage restructuring, and higher priority for the construction industry. In late August the former CEO of the Alyans Bank was arrested on a charge of having embezzled \$1.1 billion; the former chief of another major bank had fled the country in February to avoid prosecution on a similar charge. Some political observers suggested a link between the actions against the bankers and the financial crisis.

In addition to coping with an economy weakened by the economic downturn, in 2009 Kazakhstan's government prepared to assume the annual chairmanship of the Organization for Security and Co-operation in Europe (OSCE) in 2010. Kazakhstan would be the first Commonwealth of Independent States member—and the first Asian state—to assume the position. In